U.S. ECONOMIC AND TRADE POLICY TOWARD CUBA

HEARING

BEFORE THE

SUBCOMMITTEE ON TRADE

OF THE

COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTH CONGRESS

SECOND SESSION

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U.S. ECONOMIC AND TRADE POLICY TOWARD CUBA

THURSDAY, MAY 7, 1998

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON TRADE,
Washington, DC.

The Subcommittee met, pursuant to notice, at 1:05 p.m., in room 1100, Longworth Office Building, Hon. Phillip Crane (Chairman of the Subcommittee) presiding.

[The advisory announcing the hearing follows:]

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

SUBCOMMITTEE ON TRADE

FOR IMMEDIATE RELEASE
April 21, 1998
No. TR–25

CONTACT: (202) 225–1721

Crane Announces Hearing on U.S. Economic and Trade Policy Toward Cuba

Congressman Philip M. Crane (R–IL), Chairman, Subcommittee on Trade of the Committee on Ways and Means, today announced that the Subcommittee will hold a hearing on U.S. economic and trade policy toward Cuba. The hearing will take place on Thursday, May 7, 1998, in the main Committee hearing room, 1100 Longworth House Office Building, beginning at 1:00 p.m.

Oral testimony at this hearing will be from both invited and public witnesses. In addition, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee or for inclusion in the printed record of the hearing.

BACKGROUND:

Since the early 1960's, U.S. policy toward Cuba has consisted largely of attempting to isolate the island nation through a comprehensive economic and trade embargo. The authority for these sanctions against Cuba was included in section 620(a) of the Foreign Assistance Act of 1961 (P.L 87–195). In 1992, the sanctions were strengthened with the enactment into law of the Cuban Democracy Act (P.L. 102–484). In particular, the Act extended the prohibitions on transactions with Cuba to subsidiaries of U.S. firms in third countries. At the same time, the Cuban Democracy Act directs the President to take steps to end the trade embargo and to assist a freely and democratically elected Cuban government, should one come to power. Another component of U.S. policy under the Act consists of support measures for the Cuban people, including U.S. private humanitarian donations, U.S. Government support for democracy-building efforts, and U.S.-sponsored radio and television broadcasting to Cuba (Radio and TV Marti).

In 1996, the Cuban Liberty and Democratic Solidarity Act (P.L. 104–114), often referred to as the "Helms-Burton" legislation, was enacted to further strengthen U.S. sanctions against Cuba. Among other things, Helms-Burton codified all Cuban embargo executive orders and regulations in force on March 12, 1996. In addition, the Act allows U.S. nationals to sue for monetary damages in U.S. Federal court those persons who traffic property confiscated from such U.S. nationals. Finally, it denies admission into the United States to certain aliens involved in the confiscation or trafficking of U.S. property in Cuba.

Following the enactment of Helms-Burton, many U.S. trading partners, including Canada, Japan, Mexico, and the European Union (EU), strongly criticized the legislation, arguing that it constitutes an extraterritorial application of U.S. law contrary to international principles. On November 20, 1996, the World Trade Organization (WTO) agreed to a request from the EU calling for the formation of a dispute resolution panel on Helms-Burton. On April 21, 1997, the EU notified the WTO that it was suspending the dispute panel, pursuant to an understanding reached with the United States to develop joint disciplines on dealings in property confiscated by

Cuba and other governments in contravention of international law. After meetings between the United States and the EU in December 1997 and March 1998, EU officials stated that they would resume the WTO challenge to Helms-Burton if no permanent solution to the dispute was found. The EU has also raised concerns about Helms-Burton and the use of extraterritorial sanctions in the context of the Multilateral Agreement on Investment, which is being negotiated under the auspices of the Organization for Economic Cooperation and Development.

The visit of Pope John Paul II to Cuba on January 21–25, 1998, focused public attention on U.S. economic and trade sanctions against Cuba. U.S. sanctions do not allow commercial food exports to Cuba, and while commercial medical exports are allowed, there are several restrictions on such exports as set forth in the Cuban Democracy Act of 1992.

On March 20, 1998, President Clinton announced four changes in U.S. policy toward Cuba. Specifically, the President announced: (1) the resumption of licensing for direct humanitarian charter flights to Cuba (which had been curtailed after the February 1996 shootdown of two U.S. civilian planes), (2) the resumption of cash remittances up to $300 per quarter for the support of close relatives in Cuba (which had been curtailed in August 1994 in response to the migration crisis with Cuba), (3) the development of licensing procedures to streamline and expedite licenses for the commercial sale of medicines and medical supplies and equipment to Cuba, and (4) a decision to work on a bipartisan basis with Congress on the transfer of food to the Cuban people.

In announcing the hearing, Chairman Crane stated: "In the wake of the Pope's visit in January, I believe that it is an appropriate time for the Subcommittee to review U.S. economic and trade policy toward Cuba. I look forward to reviewing the status of our economic and trade policy towards Cuba, particularly with respect to the humanitarian assistance provided by U.S. citizens to the Cuban people."

FOCUS OF THE HEARING:

The focus of the hearing is to examine: (1) U.S. economic and trade policy toward Cuba and the impact of the U.S. embargo on the Cuban people, (2) the prospects for future economic relations in light of the Pope's recent visit, (3) the status of humanitarian assistance extended to the Cuban people, and (4) how U.S.-Cuba policy, particularly the Helms-Burton legislation, has affected relations with U.S. trading partners.

DETAILS FOR SUBMISSIONS OF REQUESTS TO BE HEARD:

Requests to be heard at the hearing must be made by telephone to Traci Altman or Bradley Schreiber at (202) 225–1721 no later than the close of business, Thursday, April 30, 1998. The telephone request should be followed by a formal written request to A.L. Singleton, Chief of Staff, Committee on Ways and Means, U.S. House of Representatives, 1102 Longworth House Office Building, Washington, D.C. 20515. The staff of the Subcommittee on Trade will notify by telephone those scheduled to appear as soon as possible after the filing deadline. Any questions concerning a scheduled appearance should be directed to the Subcommittee on Trade staff at (202) 225–6649.

In view of the limited time available to hear witnesses, the Subcommittee may not be able to accommodate all requests to be heard. Those persons and organizations not scheduled for an oral appearance are encouraged to submit written statements for the record of the hearing. All persons requesting to be heard, whether they are scheduled for oral testimony or not, will be notified as soon as possible after the filing deadline.

Witnesses scheduled to present oral testimony are required to summarize briefly their written statements in no more than five minutes. THE FIVE-MINUTE RULE WILL BE STRICTLY ENFORCED. The full written statement of each witness will be included in the printed record, in accordance with House Rules.

In order to assure the most productive use of the limited amount of time available to question witnesses, all witnesses scheduled to appear before the Subcommittee

are required to submit 200 copies of their prepared statement and an IBM compatible 3.5-inch diskette in ASCII DOS Text or WordPerfect 5.1 format, for review by Members prior to the hearing. Testimony should arrive at the Subcommittee on Trade office, room 1104 Longworth House Office Building, no later than Tuesday, May 5, 1998. Failure to do so may result in the witness being denied the opportunity to testify in person.

WRITTEN STATEMENTS IN LIEU OF PERSONAL APPEARANCE:

Any person or organization wishing to submit a written statement for the printed record of the hearing should submit at least six (6) single-space legal-size copies of their statement, along with an IBM compatible 3.5-inch diskette in ASCII DOS Text or WordPerfect 5.1 format only, with their name, address, and hearing date noted on a label, by the close of business, Thursday, May 21, 1998, to A.L. Singleton, Chief of Staff, Committee on Ways and Means, U.S. House of Representatives, 1102 Longworth House Office Building, Washington, D.C. 20515. If those filing written statements wish to have their statements distributed to the press and interested public at the hearing, they may deliver 200 additional copies for this purpose to the Subcommittee on Trade office, room 1104 Longworth House Office Building, at least one hour before the hearing begins.

FORMATTING REQUIREMENTS:

Each statement presented for printing to the Committee by a witness, any written statement or exhibit submitted for the printed record or any written comments in response to a request for written comments must conform to the guidelines listed below. Any statement or exhibit not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All statements and any accompanying exhibits for printing must be typed in single space on legal-size paper and may not exceed a total of 10 pages including attachments. At the same time written statements are submitted to the Committee, witnesses are now requested to submit their statements on an IBM compatible 3.5-inch diskette in ASCII DOS Text or WordPerfect 5.1 format. Witnesses are advised that the Committee will rely on electronic submissions for printing the official hearing record.

2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.

3. A witness appearing at a public hearing, or submitting a statement for the record of a public hearing, or submitting written comments in response to a published request for comments by the Committee, must include on his statement or submission a list of all clients, persons, or organizations on whose behalf the witness appears.

4. A supplemental sheet must accompany each statement listing the name, full address, a telephone number where the witness or the designated representative may be reached and a topical outline or summary of the comments and recommendations in the full statement. This supplemental sheet will not be included in the printed record.

The above restrictions and limitations apply only to material being submitted for printing. Statements and exhibits or supplementary material submitted solely for distribution to the Members, the press and the public during the course of a public hearing may be submitted in other forms.

Note: All Committee advisories and news releases are available on the World Wide Web at 'HTTP://WWW.HOUSE.GOV/WAYS__ MEANS/'.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202–225–1721 or 202–226–3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Chairman CRANE [presiding]. Good afternoon. This is a hearing before the Subcommittee on Trade.

Mr. MOAKLEY. Hi, how are you doing?

Chairman CRANE. Beg your pardon?

Mr. MOAKLEY. Is my microphone on? I was checking to see if the microphone was on. Thank you, Mr. Chairman.

Chairman CRANE. OK, one, two, three, testing.

Mr. MOAKLEY. Before I start swearing at some people, I want to make sure it's on.

Chairman CRANE. All right. This is a hearing before the Subcommittee on Trade on the topic of U.S. trade and economic policy toward Cuba. It's a matter of great importance to Americans who hope that freedom and democracy will come to this island, just 90 miles from our shores. It's also a matter of particular importance to the thousands of Cubans who have fled the Castro regime, many of whom have become citizens.

The visit of Pope John Paul II to Cuba in January of this year focused public attention on U.S. policy toward Cuba and increased general awareness of the daily plight of the Cuban people. During the Pope's visit, he described the U.S. embargo as something which strikes the people indiscriminately, making it even more difficult for the weakest to enjoy the bare essentials. The papal comments have raised questions about ways of providing humanitarian assistance to the people of Cuba, while continuing our efforts to move the Castro government in the direction of freedom and democracy.

The Cuban Liberty and Democratic Solidarity Act of 1996, commonly known as Helms-Burton, has affected U.S. relations with our trading partners who view the act as an extraterritorial application of the U.S. embargo in contravention of international law. On this basis, the European Union, or EU, filed a case on Helms-Burton against the United States at the World Trade Organization. In April 1997, the EU suspended its case pursuant to an understanding reached with the United States to develop joint disciplines on dealings in property confiscated by Cuba and other governments contrary to international law.

The EU last month allowed its WTO case to expire, pending continuing negotiations with the United States. But it made clear that it would file another WTO case if the United States took action against companies in EU member states, under either Helms-Burton or the Iran and Libya Sanctions Act.

I believe it's appropriate for the Subcommittee to examine U.S. policy toward Cuba in light of the Pope's recent visit and the lingering problems that Helms-Burton has caused the United States in our relations with our major trading partners. I would like to recognize the contributions made by Mr. Rangel and Mr. Neal in raising the issue of our Cuba policy on the Subcommittee's agenda and look forward to hearing the testimony of our witnesses today.

And now I'd like to yield to Mr. Rangel for an opening statement.

Mr. RANGEL. Thank you, Mr. Chairman. And let me thank you, for always being there on issues of trade, to expose our witnesses to the best information available in order for us to legislate. And

I want to thank Mr. Neal for his leadership in making certain that our Committee fulfills that responsibility.

Last January, I was invited by Cardinal O'Connor, with many of my colleagues, to travel to Cuba during the visit to the island by Pope John Paul. After extensive discussions with a variety of high-level Cuban officials, including President Castro, it was made abundantly clear to me that the Cuban Government was eager not only to have the embargo removed, but to normalize relations with the United States.

The most frequently asked question I heard was, "What does the United States want?" I made it clear over the years that, in my view, it's time to end the U.S. trade embargo. Continued sanctions against Cuba hurt us more than they do the Government of Cuba, which we designed to bring down, making us the odd man out among nations. The embargo remains a convenient tool for scapegoating used by those in Cuba who wish to maintain the status quo.

The embargo, especially the Helms-Burton law, has harmed our relations with friends and allies around the world by imposing extraterritorial restrictions on global trading infrastructure, while limiting the ability of American businesses to compete freely. The embargo has failed in its goal clearly of destabilizing the Cuban Government.

Today, more and more Americans are wondering why, after 38 years, our government persists in this unilateral policy of isolating Cuba. During these hearings we will hear from representatives from the business sector, humanitarian groups, the Catholic Church, the Cuban-American community, and they will explain their reasons for supporting a change in policy. Those of us who have opposed existing policy should certainly be encouraged by this impressive turnout.

The Pope's visit has drawn attention to the issue and encouraged more people to speak out. The Pope again chided the United States for a policy that he views as inhumane, admonished the Cubans to open their society, and improve their record on human rights.

I commend President Clinton for the steps he has taken in the wake of the Pope's visit to lessen the humanitarian impact of the embargo. The health impact on Cuban children due to shortages of food and medicine is beyond dispute. Some would argue that the fault is with Cuba's failed Socialist system and Castro's position, and not the U.S. embargo. Whatever the case may be, except in times of war, it is not the American way of doing things—to sit by and witness the suffering of innocents while we're in a position to do something about it.

At this time, I would like to yield time to Mr. Neal in support of having this hearing and trying to change this policy that we have.

Mr. NEAL. Thank you, Mr. Rangel.

First, let me thank Chairman Crane and Congressman Joe Moakley for the effort that they've made today in ensuring that this timely issue be brought once again before the Subcommittee on Trade.

In January, I had the privilege to travel to Cuba with Cardinal Law of Boston for the papal visit. It's a trip that I never will forget.

From my visit, I have reaffirmed my position that we need to provide humanitarian assistance to Cuba. I'm a cosponsor of the Cuban Humanitarian Trade Act of 1997, which would change the terms for exporting food and medicine from the United States to Cuba. It's my understanding that even Senator Helms is in the process of considering legislation that would expand humanitarian aid to Cuba.

The Cuban-American National Foundation has proposed an initiative which would target humanitarian donations to those most in need, especially political prisoners and their families. This initiative requires assistance to be delivered and distributed through internationally recognized nongovernmental organizations. The plan would prohibit assistance to Communist Party members and require public assurance from the Cuban Government that they would not interfere with the distribution of that assistance.

Since the visit of John Paul II to Cuba, attention has been focused on humanitarian aid. A March 1997 report by the American Association for World Health, severely criticized our government for maintaining the embargo restrictions that have resulted in shortages of medicines, medical equipment, and medical information. These shortages have led to serious nutritional deficits. The current licensing requirements are burdensome and complex and result in delays and increased cost.

In the past Cuba largely depended upon Soviet bloc countries for trading assistance. In 1990, the Soviets provided $3.5 billion in economic assistance and trade subsidies to Cuba and about $1 billion in military assistance. Since 1992 the Russian Government no longer provides military assistance to Cuba and since 1993 Cubans have been allowed to own U.S. dollars and self-employment was authorized. Other market-fronted reforms have also been obtained.

Certainly life is not easy for the Cubans. On March 20, 1998, the Clinton administration announced four changes which should help Cuba. But these changes are not a shift in U.S. policy. These four changes have not yet gone into effect.

Hopefully, we can learn from this hearing and build upon the changes already announced. I think most of us can agree that we need to improve humanitarian aid to Cuba and I hope that this Subcommittee will once again take the lead on this issue.

I would like to call attention if I can for 1 second, Mr. Chairman, to an article that appeared in today's New York Times and there's also one in the Washington Post. And while we're also sensitive here to headlines and how they relate to the stories that follow, the headline here is, "Star, a Pentagon report now belittled the menace posed by Cuba." The one thing that you're struck by in a visit to Cuba is that they're not going to be able to mount any missiles on the back of 1956 Chevrolets, because that's all they have.

And the truth is that the Pope has given us an extraordinary opening here and I think that whether we can argue over humanitarian assistance or lifting the embargo in its entirety, we should take advantage of the opening the Pope has given us, as well as Cardinals O'Connor and Law and fully move in to fill the void that has been created. Thank you again, Mr. Chairman, for the prompt manner in which you scheduled this hearing.

My time.

Mr. RANGEL. Mr. Chairman, I ask unanimous consent to enter the statement of Congressman Jerry Kleczka into the record.

Chairman CRANE. Yes, and without objection, all Members' written testimony will become a part of the permanent record too.

[The opening statements follow:]

Statement of Hon. E. Clay Shaw, Jr., a Representative in Congress from the State of Florida

Mr. Chairman, thank you for agreeing to hold a hearing on U.S. economic and trade policy toward Cuba. Because of Cuba's proximity to my home state of Florida, this hearing is of special importance to my constituents.

Mr. Chairman, since the visit of His Holiness John Paul II to Cuba, the media has been rife with stories about how unfair and cruel our economic policy is toward Cuba. Many people swayed by these stories have adopted Castro's self-serving viewpoint that Cuba's miserable economic performance is due to the U.S. trade embargo.

Unfortunately, what is being glossed over in the embargo debate is that the root cause of the misery of the proud Cuban people is the dictator Fidel Castro. Anti-embargo groups consistently leave out of their arguments any mention of Castro subjugating his own people or his disastrous economic policies. This overlooking of the realities of Castro's regime by anti-embargo groups unwittingly (or in some cases, purposely) gives credibility to Castro's brutal regime. This credibility in turn perpetuates Castro's dictatorship, which of course ensures the continued suffering of the Cuban people.

Perhaps because Castro has been oppressing his people for so long, many Americans seem to have forgotten that the rights we enjoy are utterly non-existent in Cuba. For example, until 1976, Castro ruled by decree, which meant in practical application that Castro's whims were the supreme law of the land. In 1961, representative democracy was abolished (although a puppet legislature was later established, falsely named the National Assembly of Peoples Power). Political prisoners number in the thousands.

Castro's human rights record is similarly appalling. Under his rule, the Cuban people are denied freedom of speech, association, assembly and movement. Religious freedom is severely restricted, although to Castro's credit, he did allow the celebration of Christmas for the first time in years in anticipation of the Pope's visit.

Castro's economic record is as pathetic as his human rights record. After the termination of aid from the Soviet Union, Cuba's economy actually shrunk between thirty-five and fifty percent. Shortages of basic commodities, such as food and fuel, are commonplace in this workers' paradise. Again, the root cause of the dismal performance of the Cuban economy is not the embargo, but Castro's fanatical adherence to now discredited Marxist-Leninist theories.

Castro is a walking anachronism, as outdated as the Chevys with fins that still rumble through the streets of Havana. I find it rich in irony that Castro, who could have gone down in history as the liberator of Cuba, will instead be remembered as its enslaver.

Now in the twilight of his life, Castro will soon join his ideological soulmates Stalin, Pol Pot, Kim Il-Jung and Ceausescu on the ash heap of history. I predict that in the years after his demise, it will be Castro the man—not our trade policy—that will be reviled by the Cuban people.

Statement of Hon. Jim Ramstad, a Representative in Congress from the State of Minnesota

Mr. Chairman, thank you for calling today's hearing to discuss U.S. economic and trade policy toward Cuba.

The recent visit of His Holiness Pope John Paul II to Cuba certainly indicates some level of progress, but how much improvement there has actually been for the daily life of the Cuban people is hard to determine.

Equally difficult to determine is how best to craft U.S. policies to help the people of Cuba while challenging the Cuban government to respect human rights and freedoms and allow Cuban citizens to participate in democratic elections.

I am well aware that our current policies toward Cuba have not achieved the goals for which we strive, as quickly as we desire. Some believe that current policies can still achieve these goals, especially now that the Soviet Union has fallen and

no longer provides subsidies to the Cuban government. Others believe that since the policies have not been successful, we should replace them with a new approach.

Mr. Chairman, for those of us who are frankly undecided as to how best to achieve our goals, this hearing will be a great opportunity to hear the debate. We all want to do the right thing, but it is so hard to tell how Castro will react to any changes we make and how the Cuban people will be affected.

If we lift barriers to selling food and medical supplies to Cuba, will the citizens get the food and supplies—or will it further exacerbate the two-tiered economy in which the tourists and government leadership get everything, but the people get little? Will relaxing policies impress upon the Cubans that the US wants to help them and is not the scapegoat for their society's problems that Castro paints us to be—or will it strengthen Castro's stronghold over the Cuban people since he will claim to be their victor who stood up to the U.S.?

I don't know the answers to these difficult questions, but I am hoping today's discussions will provide some insight into this complicated and serious issue.

Thank you again, Mr. Chairman, for calling this hearing. I look forward to hearing from today's witnesses on what US policies will best achieve our goal to help the Cuban people.

Statement of Hon. Jennifer Dunn, a Representative in Congress from the State of Washington

Mr. Chairman,

Thank you for your willingness to continue this Subcommittee's efforts to review United States trade policy around the world. As a strong supporter of free and open international trade, I believe that one of the most effective ways to influence other countries' domestic policy is by engaging their people in commerce. There is no question, however, that some countries present very difficult challenges when it comes to the oppression of their people, and their stubborn allegiance to failed economic theory. Cuba is such a place.

For over three decades, the United States has been pursuing an economic and trade policy towards Cuba that relies on isolation as a means of creating internal instability that could lead to the overthrow of Fidel Castro. Over time, incremental steps have been taken to close loopholes in our sanction policy and tighten the noose around the leadership in Cuba. The most recent effort, the so-called "Helms-Burton" legislation passed in 1996, is one that I supported as it helped ratchet up the pressure on foreign companies that are benefiting from assets once owned by U.S. companies, but were stolen by Castro's regime. The objectives of free and open elections in Cuba, the release of political prisoners, and the legalization of political activity are as vital today as they were thirty years ago. Every Member of Congress, as a product of an open political process, should embrace them.

At the same time, however, we must not hesitate to step back for a moment to review the results of our efforts. That is why hearings such as this one are important. The people of Cuba will either be compelled to act against their government through frustration with a failed domestic economic policy, or their government will be marginalized through foreign influences brought about by open trade. What is the pace of political change in Cuba, and how much of that can be attributed to sanctions? Are those most capable of bringing about change on the island fleeing to the United States? What is the likelihood that opening up this market for U.S. goods and investment will accelerate the pace of change? All of these issues should continue to be evaluated and discussed.

Mr. Chairman, thank you again for your willingness to hold a hearing on this important subject. I understand that there will be another hearing later this month that will ensure a thorough and open debate occurs on this issue. I look forward to hearing the many views on our nation's Cuba policy so that we will be able to more accurately assess its successes and failures.

Thank you.

Chairman CRANE. Mr. Thomas.

Mr. THOMAS. Mr. Chairman, thank you. I just would like to refer to the portion of Mr. Neal's testimony indicated, alluding to the

hearing. I'd like to start the hearing, so I have no prepared or opening statement.

Chairman CRANE. All right. We will begin the hearing and I would like to first though remind everyone that the hearing record will be kept open until May 21 of this year, and invite all interested parties who are not testifying to submit written testimony for the record. And we have a very full schedule today, so I must ask everyone please to monitor the light on the dais there, and each person hold his oral comments—testimony—to 5 minutes. All of your written testimony will become a part of the record too.

And now our distinguished colleague, Mr. Moakley.

STATEMENT OF HON. JOHN JOSEPH MOAKLEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS

Mr. MOAKLEY. Mr. Chairman, thank you very much—you, Mr. Rangel, Mr. Neal, Mr. Thomas, and all the other Members of the panel, for holding this hearing today and allowing us to testify before your Subcommittee. I commend you for holding this hearing, to looking toward our Cuban policy, which frankly, I believe, needs to change.

Mr. Chairman, as you probably know, I visited Cuba this January, along with Congressman Rangel, Congressman Neal, and many others, during the historic visit of Pope John Paul II. Despite the media's decision to turn their coverage to other matters, the Pope's visit has done a great deal to teach the world about Cuba, highlight its problems, and introduce us to its many assets and put a human face on this most mysterious and troubling nation.

Today, many concrete changes have already occurred due to the Pope's courageous efforts. Most visibly, Cubans are practicing religion more freely in their homeland now, without fear or oppression or crackdown.

During my visit, Mr. Chairman, it was tremendously moving to stand in Revolution Square at the papal Mass and see Catholics openly expressing their faith for the Pope and their God. Many of them just couldn't believe that they were being allowed to act so openly. This event was a major step forward for Cuba.

I think it's very important to note the openness that has been allowed to continue. We recently saw Catholics freely celebrating Easter Sunday on the main streets of Havana and small churches of the countryside. Beautiful religious processions winding through the Cuban streets, without question or comment from the government. It appears, at least for now, that Castro's strong hand against religion has softened.

And I'm very glad that President Clinton has responded to the openness in Cuba with several positive steps regarding the U.S. policy. I applaud the President for his moves to allow direct flights for humanitarian aid, to allow family remittances, and to work to ease the licensing process for medicines. As I've said many, many times, we aren't responsible for the suffering of the Cuban people—Cuba is. But we also should make it our policy to do what we can to help those in need right now, and our policy just isn't doing that, Mr. Chairman.

The American Association for World Health 5-year study on Cuban health care highlighted the desperate plight of the Cuban

people. According to their expert medical opinion, "the embargo has dramatically harmed the health and nutrition of large numbers of ordinary Cuban citizens." That's a quote from the American Association for World Health. The report went on to identify malnutrition, poor water quality, lack of medicines and equipment, and the lack of medical information as the major causes of the Cuban health care crisis.

The needs in Cuba are tremendous. New breakthrough medicines that combat cancer and AIDS are just not available. Doctors reuse disposable gloves until they break. Pacemakers for heart patients are virtually impossible to find. Extreme shortages in kidney dialysis machines keep patients from receiving treatments. And in the children's cancer wards, they go without suppressants for children receiving chemotherapy. The suffering just goes on and on.

I believe the steps that President Clinton has taken will begin to lessen some of that suffering. Now we need to do more. Because while the administration's moves are positive, donations will never be able to affect as many people as direct sales of foods and medicines. Donations, while very important, just don't include those items that are most needed. Only through the direct sales of medicines can doctors obtain the exact items they need for proper care.

That's why I'm proud to be a cosponsor of H.R. 1951, the Cuban Humanitarian Trade Act. This legislation will remove U.S. trade restrictions on the sale of food and medicine to Cuba.

I'd like to say a word about the suffering I just mentioned. While I was in Cuba, I visited a pediatric hospital just outside of downtown Havana. I walked along the wards and I stopped in to visit with the sick children and their parents who were acting as nurses. This was real life. There were no politics there, no state symbols, no speeches. And I listened carefully to the young mothers describing their children's unwarranted suffering and pain. Many of the children that I visited that day had fairly common diseases and disorders that are easily curable using modern techniques and medicines.

In the United States we have the best medicines, the best medical training, and the most innovative medical devices in the world. But the sad truth is that most of those items are just not available to these tiny Cuban children, due to the embargo.

I vividly recall, Mr. Chairman, one child that I will never, never forget. This particular boy had a tracheotomy, he had a heart disorder that is widely treated by the insertion of some plastic shunt. But that simple device, so plentiful 90 miles away in America, was not available in Cuba. So this helpless boy spent 86 days in intensive care, nearly died, and during the terrible ordeal, the boy lost a lung and will have continued health problems for years to come. That young mother told me she didn't understand why they couldn't get that piece of plastic. She looked to me for answers, Mr. Chairman—I had none.

I know opponents would say there's no embargo on medicine. They will say, anything can be obtained with a license, but the fact is that's just not happening. The process is extremely slow and difficult, and most U.S. companies don't even try. Now those facts are often disputed, but here, even the most generous estimates say that we have only issued 27 licenses for the commercial sale of

medicines over the past 6 years. For a country with the medical needs of Cuba, that's not a hell of a lot of medicine.

There are many reasons why the licensing process doesn't work. For one, U.S. companies don't want to go through the difficult steps and the paperwork. And many U.S. corporations don't even know they can sale to Cuba through a license. Opponents will say the Cubans can go to any country in the world and get these medicines. That's true. But the problem is the United States is the leader in medicines, medical supplies, medical techniques, and everything else that has the prefix med before it. And the fact is that Cuba needs our innovative products and ideas, because quite simply, we're the best and we've got the corner on the market, and those other countries know that they can't get it from America and therefore they can charge higher and higher prices.

Furthermore, Mr. Chairman, we passed a law in 1992 that prevents subsidiaries abroad from doing business in Cuba. And as the economy has gotten more and more global, U.S. pharmaceutical and medical supplies companies have increased their share of ownership around the world. Today, U.S.-owned subsidiaries dominate the market abroad. So when Cuba looks abroad for medicines, they run into more roadblocks.

Mr. Chairman, the Pope's visit has created an atmosphere of change in Cuba that hasn't been there since the revolution. And I don't think things will go back to the way of the past. It's very hard to put that genie back in the bottle, they say.

So we need to move forward. And I think the time has come to lift the embargo on food, lift the embargo on medicine, and allow the Cuban people access to the best medical and the best food supplies that we in the United States have to offer.

We need to engage Cuba so that we can affect change now and in the future when the political status quo is gone. Our isolationism for the last 38 years has done nothing to change Cuba. In fact, I believe, that's the only reason that Castro has been able to stay in power for so long. Quite simply, our embargo policy has given him an enemy to point to and a superpower to blame for his poor economy.

Now a historic opportunity is upon us. We need to be part of Cuba's changing political and social situation by engaging in a dialog of thoughts and a dialog of ideas. We need to be ready for the day when Castro is gone. And after Castro, there's a giant vacuum of leadership in Cuba and nobody really knows for sure who will fill that vacuum. Continuing our current policy leaves us without any influence and we'll have no say in the future political leadership of our neighboring island.

But, Mr. Chairman, by engaging Cuba now, the United States could have a hand in the future and could work to bring democratic ideals to the Cuban people. Lifting restrictions on food, lifting restrictions on medicine, is a good way to begin that engagement.

So, Mr. Chairman, again I commend the Subcommittee for holding the hearing and allowing me to testify. We must remember, Mr. Chairman, that children do not understand politics or embargoes. But children do feel suffering and children do feel pain. And I'll say again, the Cuban people's suffering is not our fault, but I think the United States has a responsibility not to make things

worse. We have that responsibility all over the globe, Mr. Chairman. I've met the Cuban people, I've sat in their homes, I've eaten with them, I've listened to them, and I've listened to their concerns, and I know they deserve at least that much.

So, Mr. Chairman, our Cuban policy is 38 years old and it hasn't worked. In fact, it's a total disaster. If our policy was a Fortune 500 company, it would have been bankrupt years ago. No one in this room can honestly say that we're hurting Castro—he's not starving. And I believe it's time for change. I look forward to working with you and our colleagues in the Congress to bring about change in Cuba and create a policy that finally makes a difference in Cuba where it matters with the people. Thank you very much, Mr. Chairman.

[The prepared statement follows:]

Statement of Hon. John Joseph Moakley, a Representative in Congress from the State of Massachusetts

Chairman Crane, Congressman Rangel, Congressman Neal, members of the committee, thank you for allowing me to testify before your subcommittee today regarding the United States' policy toward Cuba. I commend you for holding this hearing to look into our Cuba policy, which, frankly, needs a change.

Mr. Chairman, as you know, I visited Cuba this January during the historic visit of Pope John Paul II. Despite the media's decision to turn their coverage to other matters, the Pope's visit has done a great deal to teach the world about Cuba, highlight its problems, introduce us to its many assets, and put a human face on this most mysterious and troubling nation.

Today, many concrete changes have already occurred due to the Pope's courageous efforts. Most visibly, Cuban's are practicing religion more freely in their homeland now, without fear of oppression or crackdown.

During my visit, it was tremendously moving to stand in Revolutionary Square, at the Papal Mass, and to see Catholics openly expressing their faith for the Pope and their God. Many of them couldn't believe they were being allowed to act so openly. This event was a major step forward for Cuba.

I think that it is very important to note that the openness has been allowed to continue. We recently saw Catholics freely celebrating Easter Sunday in the main streets of Havana, and in the small churches of the countryside. Beautiful religious processions wound through the Cuban streets without question or comment from the government. It appears, at least for now, that Castro's strong hand against religion has weakened.

And I am very glad that President Clinton has responded to the openness in Cuba with several positive steps regarding the United States' policy. I applaud the Clinton administration for its moves to allow direct flights for humanitarian aid, to allow family remittances and to work to ease the licencing process for medicines. As I've said many times, we aren't responsible for the suffering of the Cuban people—Cuba is. But, we also should make it a policy to do what we can to help those in need. Right now, our policy isn't doing that.

The American Association for World Health's five-year study on the Cuban health care system highlighted the desperate plight of the Cuban people. According to their expert medical opinion, the embargo has "dramatically harmed the health and nutrition of large numbers of ordinary Cuban citizens." The report went on to identify malnutrition, poor water quality, lack of medicines and equipment, and the lack of medical information as the major causes of the Cuban health care crisis.

The needs in Cuba are tremendous. New, breakthrough medicines that combat cancer and AIDS are not available, doctors re-use disposable gloves until they break, pacemakers for heart patients are virtually impossible to find, extreme shortages in kidney dialysis machines keep patients from receiving treatments, and children's cancer wards go without nausea suppressants for children receiving chemotherapy. The suffering goes on and on.

I believe the steps that President Clinton has taken will begin to lessen some of that suffering. Now, we need to do more, because while the Administration's moves are positive, donations will never be able to affect as many people as direct sales of food and medicines. Donations, while very important, do not always include those items that are most needed. Only through the direct sale of medicines can doctors obtain the exact items they need for proper care. That is why I am a proud co-spon-

sor of H.R. 1951, the Cuban Humanitarian Trade Act, legislation that will remove U.S. trade restrictions on the sale of food and medicine to Cuba.

I want to say a word about the suffering I just mentioned. While I was in Cuba recently, we visited a pediatric hospital, just outside of downtown Havana. We walked along the wards, and stopped in to visit with the sick children and their parents. This was real life—there were no politics here, no state symbols, no speeches. I listened carefully to the young mothers, describing their children's unwarranted suffering and pain.

Many of the children that I visited that day had fairly common diseases and disorders that are easily curable using modern techniques and medicines. In the United States we have the best medicines, the best medical training, and the most innovative medical devices in the world. But, the sad truth is that most of these items are not available to these tiny Cuban children, due to the embargo.

I vividly recall one child that I will never forget. This particular little boy had a heart disorder that is widely treated using the insertion of a plastic shunt. But, that simple device is made in America, and therefore not available in Cuba. So this helpless child spent 86 days in intensive care—and nearly died. During that terrible ordeal, the little boy lost a lung, and will have continued health problems for years to come. His young mother told me she didn't understand why they couldn't get that piece of plastic. She looked to me for answers, Mr. Chairman—I had none.

I know opponents will say there is no embargo on medicine. They will say anything can be obtained with a licence. But the fact is, that's just not happening. The process is extremely slow and difficult, and most U.S. companies don't even try. Now, the facts are often disputed here, but even the most generous estimates say that we have only issued 27 licenses for the commercial sale of medicines over the last six years. For a country with the medical needs of Cuba, that's not a lot of medicine.

There are many reasons why the licencing process doesn't work. For one, U.S. companies don't want to go through the difficult steps and the paperwork. And many U.S. corporations don't even know they can sell to Cuba through a licence.

Opponents will also say that Cuba can go to any other country in the world to buy medicines. That is true, but the problem is that the United States is the leader in medicines, medical supplies, medical techniques, and everything else that has the prefix med- before it. The fact is that Cuba needs our innovative products and ideas, because, quite simply we're the best and we've got the corner on the market.

Furthermore, we passed a law in 1992 that prevents subsidiaries abroad from doing business in Cuba. As the economy has gotten more and more global, U.S. pharmaceutical and medical supply companies have increased their share of ownership around the world. Today, U.S. owned subsidiaries dominate the market abroad. So, when Cuba looks to other countries for medicines they often run into more roadblocks.

Mr. Chairman, the Pope's visit has created an atmosphere of change in Cuba that hasn't been seen since the revolution. And, I don't think things will go back to the ways of the past. It's too hard to "put the genie back in the bottle", as they say. So we need to move forward. I think it is time we lift the embargo on food and medicines and allow the Cuban people access to the best medical and food supplies we have to offer.

We need to engage Cuba so we can effect change now, and in the future when the political status quo is gone. Our isolationism of the last 38 years has done nothing to change Cuba—in fact I believe it is one reason Castro has been able to stay in power for so long. Quite simply, our embargo policy has given him an enemy to point to.

Now, we have a historic opportunity before us. We need to be part of Cuba's changing political and social situation by engaging in a dialogue of thoughts and ideas. We need to be ready for the day when Castro is gone. After Castro, there is a giant vacuum of leadership in Cuba. No one really knows for sure who will fill that vacuum. Continuing our current policy leaves us without any influence. We will have no say in the future political leadership of our neighboring island. But, by engaging Cuba now, the United States will have a hand in the future, and can work to bring democratic ideals to the Cuban people. Lifting restrictions on food and medicine is a good way to begin that engagement.

So, again Mr. Chairman, I commend you and the Subcommittee for holding this hearing, and allowing me to testify today. We must remember, Mr. Chairman, that children do not understand politics or embargoes. But children do feel suffering—they do feel pain. I'll say again that the Cuban people's suffering is not our fault, but I think the United States has a responsibility not to make things worse. We have that responsibility all over the globe. I've met the Cuban people, sat down in

their homes with them, and listened to their concerns—I know they deserve at least that much from us.

Mr. Chairman, our Cuba policy is 38 years old and it just hasn't worked. In fact, it's a complete failure. If our policy was a fortune 500 company, it would have been bankrupt years ago. No one in this room can honestly say we're hurting Castro—he's certainly not starving. I believe it's time for a change. I look forward to working with you and our colleagues in the Congress to bring about change in Cuba, and to create a policy that finally makes a difference in Cuba where it matters—with the people.

Thank you.

Chairman CRANE. Thank you, Mr. Moakley.

Ms. Ros-Lehtinen.

STATEMENT OF HON. ILEANA ROS-LEHTINEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Ms. ROS-LEHTINEN. Thank you so much, Chairman Crane.

Before I begin my statement, I would like to express my regret that this hearing does not provide a balanced presentation. It has three private panels full of individuals who appear to advocate sanctions being lifted on Castro and removal of U.S. pressure on Castro. There are 14 private witnesses who appear to be against U.S. policy and 0 private witnesses who support it.

At the last minute, two to three pro Helms-Burton witnesses were invited to essentially serve as tokens in a titled biased panel. They preferred not to be used as props in order to give a semblance of fairness that is totally lacking in this hearing. They did not want to be used and manipulated in this way.

This hearing does not accurately reflect the views of the majority of the U.S. Congress, nor the overwhelming majority of the Cuban-American community. And although we are grossly outnumbered here today, the three Members of Congress, Mr. Diaz-Balart, Mr. Menendez, and myself, who represent a huge Cuban-American constituency, are here to speak on behalf of many in our districts who have a strong desire for freedom, for human rights, for democracy in Cuba, and who support current U.S. policy.

Mr. Chairman, there is no openness of any kind in Cuba. The Castro regime has repeatedly stated that the revolution and his regime will not change. Those who want to trade and engage with Castro remind me of overeager Boy Scouts who want to help a little old lady cross the street, where she does not want to go.

Castro has repeatedly said that he does not want to cross the street. He will not change. Two weeks ago, the dictator again emphasized that, "we are not going to change. We are going to continue defending our cause and our socialism." President Clinton said yesterday in a press conference, that he is hearing contradictory signals from Cuba. The President must need to recharge the batteries in his hearing aid, because Castro's signals are very loud and very clear—we will not change.

Despite the claims of those who wish to engage with Castro, U.S. policy is working. For example, yesterday the Pentagon released a report that classified Cuba as a negligible military threat to the United States. The Castro regime, however, is still involved in the illegal narcotics trafficking, has strong ties to guerrilla groups in

Latin America, continues the Lourdes spy station, and wants to complete a dangerous nuclear power plant. He gives safe harbor to 90 U.S. felons.

However, if it does not pose a military threat, it is because U.S. sanctions have crippled the Castro regime from building its forces and arsenal. Without U.S. sanctions, Castro would have had more cash available to maintain and strengthen its military capabilities.

If critics of U.S. policy are not going to use this Pentagon report to advocate a change in U.S. policy, they should first remember that Haiti, South Africa, and Bosnia, all countries the United States has imposed sanctions on, did not pose a military threat to the United States. U.S. policy was driven by a moral commitment to democracy and human rights.

U.S. policy toward Cuba is not and should not be about money. U.S.-Cuba policy emerged from a condemnation of the oppression, subjugation, and enslavement of the Cuban people. The United States should not be an accomplice to the torturing, mutilation, and execution of political prisoners.

The United States must not be a part of a system of apartheid that the Castro regime has imposed on its people. Yes, apartheid lives in Castro's Cuba, yet those who condemn apartheid in South Africa, do not seem affected by its existence in Cuba.

The Castro regime discriminates against its own people in favor of the tourist, discriminates against the general population in favor of high-ranking Communist Party officials. The Castro regime does not allow Cubans to use the hotels they build or eat in the tourist restaurants, or even use those beaches where the hotels are located. Tourist pharmacies and hospitals in Cuba are filled with modern medicine, but Castro denies the Cuban people access to all of these. Medicine is used as a form of torture by the Castro regime to force the people into submission. Dissident doctors are arrested for helping those left to suffer by the regime.

Those who argue that U.S. policy denies food and medicine to the Cuban people, I say, the time has come to stop the lies. No more distortion, no more misinformation. The Libertad Act and previous U.S. policy, as is shown there in one of the charts, authorizes the donation of food and medicine to Cuba. The fact is that criticism against U.S.-Cuba policy has nothing to do with humanitarian concerns. Some pharmaceutical companies have told Commerce officials that they are not interested in Cuba, because there is no demand, no market, no money to be made.

The fact is that many of the same individuals who are against U.S.-Cuba policy were in favor of sanctions against the apartheid government in South Africa, or in Haiti, or in Bosnia. Are the Cuban people any less worthy? Does their suffering not merit punitive action against their oppressor?

How many more Cubans will have to die in Castro's jails before the international investor sees that every dollar that he gives to Castro is used against the Cuban people? How many more children, like the ones who are pictured right there in those charts, will have to die in the waters trying to flee the dictatorship? How many more men, women, and children will have to be killed by the Cuban Coast Guard, as was the case of the March 13 tugboat, the youngest victim who you see pictured there? What was their crime?

They dared to leave Cuba and for that, they were murdered. How many more American citizens will have to be shot down by the Castro military as occurred on February 24, 1996?

Nothing has changed in Cuba since the Pope's visit in January. The repression has indeed intensified. Even during the Pope's Mass in Havana, Cuban security forces arrested several of the faithful for yelling, "down with Fidel, and we want justice and freedom."

When the Canadian Prime Minister went to Cuba last week, the New York Times reported that he obtained commitments from Cuba to negotiate a foreign investment protection with Canada. But, the newspaper continued, on human rights, he failed to win any concession. Now it is being reported that the handful of political prisoners are to be released and sent to Toronto next week.

But let us not be fooled by cosmetics and temporary staged shows of so-called cooperation. While the Castro regime may release 70 prisoners today, and not all of them prisoners of conscience, state security forces will tomorrow jail 50, 60, 70 others who've had the courage to stand up to the oppression and exert their right as human beings.

If one looks carefully at the pattern established by Fidel Castro, it becomes abundantly clear that Castro treats political prisoners as trinkets, tokens to be bestowed upon visiting dignitaries. In fact, when I hear of a VIP going to Cuba to meet with Castro, I think, well at least a few brave souls will leave their squalid jail cells to rejoin the 11 million who remain enslaved in the island. But before the planes of these dignitaries reach their ground back home, a few more innocent victims will quickly replace them in those jail cells.

Engagement with Castro will only guarantee the continuation of the current totalitarian regime. It will delay, rather than accelerate, a transition to democracy and will strengthen the security apparatus and increase the intimidation and oppression to keep the Cuban people in line.

In conclusion, Mr. Chairman, we must decide whether we want to be on the side of righteousness and justice, on the side of the Cuban people, or if we want to allow Castro's crimes against inhumanity to go unpunished. For if by trading with Castro, we want to provide him with the means to continue his reign of terror, we know what the answer must be. I ask you to please side with the Cuban people and not allow any weakening of our sanctions against the Castro regime.

Thank you, Mr. Chairman.

[The prepared statement follows:]

Statement of Hon. Ileana Ros-Lehtinen, a Representative in Congress from the State of Florida

Mr. Chairman, there is no openness of any kind in Cuba. The Castro regime has repeatedly stated that the Revolution and his regime will not change.

Those who want to trade and "engage" with Castro remind me of overeager Boy Scouts who want to help a little old lady cross the street. But Fidel Castro has repeatedly stated he does not want to cross the street; he does not want to change. Two weeks ago, Castro emphasized that: "We are not going to change. We are going to continue defending our cause and our socialism."

Despite the claims of those who wish to "engage" with Castro, U.S. policy is working. For example, yesterday, the Pentagon released a report that classified Cuba as a "negligible *military* threat" to the U.S. The Castro regime is still involved in illegal narcotics trafficking, in supporting terrorism, in supporting the Lourdes spy station, and in the condition of a dangerous nuclear power plant. However, if it does

not pose a *military* threat, it is because U.S. sanctions crippled the Castro regime from building its forces and arsenal. Without U.S. sanctions, Castro would have had more cash available to maintain and strengthen its military capabilities.

If critics of U.S. policy are now going to use this Pentagon report to advocate a change in U.S. policy, they should first remember that Haiti, South Africa, and Bosnia—all countries the U.S. imposed sanctions on—did not pose a "military" threat. U.S. policy was driven by a moral commitment to democracy and human rights.

U.S. policy toward Cuba *is not* and *should not* be about money. U.S.-Cuba policy emerged from a condemnation of the oppression, subjugation, and enslavement of the Cuban people. The U.S. should not be an accomplice to the torturing, mutilation, and execution of political prisoners. The U.S. must not be a part of the system of apartheid that the Castro regime has imposed on its people.

Yes, apartheid lives in Castro's Cuba. Yet, those who condemned apartheid in South Africa, do not seem affected by its existence in Cuba. The Castro regime discriminates against its own people in favor of tourists; discriminates against the general population, in favor of high ranking Communist party officials.

The Castro regime does not allow Cubans to enter the hotels they build, or eat in tourist restaurants, or even use those beaches where the hotels are located. Tourist pharmacies and hospitals in Cuba are filled with modern medicine, but Castro denies the Cuban people access to all of these. Medicine is used as a tool of torture by the Castro regime to force the people into submission. Dissident doctors are arrested for helping those left to suffer by the regime.

To those who argue that U.S. policy denies food and medicine to the Cuban people, I say: the time has come to stop the lies. No more distortion. No more misinformation.

The Libertad Act and previous U.S. policy specifically authorizes the donation of food and medicine to Cuba. In fact, the U.S. has authorized over $2 billion dollars in humanitarian aid to the island. To date, the Commerce Department has approved 463 licenses, 373 of which were donations and the remainder were licensed medical exports. U.S. law provides for a system of licensing and on-sight verification which ensures that the aid is reaching the intended recipients and not being stolen by the regime and resold in foreign markets or in tourist pharmacies.

The fact is that criticism against U.S.-Cuba policy has nothing to do with humanitarian concerns. Some pharmaceutical companies have told Commerce officials that they are not interested in Cuba because "there is no demand; no market; no money to be made."

The fact is that many of the same individuals who are against U.S.-Cuba policy were in favor of sanctions against the apartheid government in South Africa, or in Haiti, or Bosnia.

Are the Cuban people any less worthy? Does their suffering not merit punitive action against their oppressor? How many more Cubans will have to die in Castro's jails before international investors see that every dollar they give to Castro is used against the Cuban people? How many more children like the ones pictured here will have to die in the waters of the Atlantic and Gulf of Mexico trying to flee the dictatorship? How many more men, women and children will have to be killed by the Cuban Coast Guard as was the case with the March 13th tugboat—the youngest victims pictured here? How many more American citizens will have to be shot down by the Castro military as occurred on February 24th, 1996?

Nothing has changed in Cuba since the Pope visited in January. The repression has intensified. Even during the Pope's mass in Havana, Cuban security forces arrested several of the faithful for yelling: "Down with Fidel" and "We want justice and freedom."

When Canadian Prime Minister Chretien went to Cuba last week, the New York Times reported that he obtained "Commitments from Cuba to negotiate a foreign investment protection agreement with Canada... but *on human rights, Mr. Chretien failed to win any concession*." Now, it is being reported that a handful of political prisoners are to be released and sent to Toronto on Monday of next week.

Let us not be fooled by cosmetics and temporary, staged shows of so-called "cooperation." While the Castro regime may release 70 prisoners today (not all prisoners of conscience), state security forces will tomorrow jail 50, 60, 70 others who have the courage to stand up to the oppression and exert their rights as human beings.

If one looks carefully at the pattern established by Fidel Castro, it becomes abundantly clear that Fidel Castro treats political prisoners as trinkets—tokens to be bestowed upon visiting dignitaries. In fact, whenever I hear of a VIP going to Cuba to meet with Castro, I think "well, at least a few brave souls will leave their squalid jail cells to rejoin the 11 million who remain enslaved in the island." But before the

planes of these dignitaries reach ground back home, a few other innocent victims will quickly replace them in those jail cells.

Engagement with Castro will only guarantee the continuation of the current totalitarian regime; will delay, rather than accelerate, a transition to democracy; and will strengthen the security apparatus and increase the intimidation and oppression to keep the Cuban people "in line."

We must decide whether we want to be on the side of righteousness and justice; on the side of the Cuban people; or if we want to allow Castro's crimes against humanity to go unpunished; if, by trading with Castro, we want to provide him with the means to continue his reign of terror.

We know what the answer must be. I ask you to please side with the Cuban people and not allow any weakening of our sanctions against the Castro regime.

Chairman CRANE. Thank you, Ileana.

Mr. Diaz-Balart.

Mr. MOAKLEY. Mr. Chairman, we're meeting in Rules Committee. Is it all right if I excuse——

Chairman CRANE. Certainly.

Mr. MOAKLEY. Thank you very much.

Mr. THOMAS. May I ask the gentleman a question or two, if he's going to be leaving?

Chairman CRANE. If you could wait just 1 second.

Mr. MOAKLEY. Sure.

Chairman CRANE. Go ahead, fire away.

Mr. THOMAS. I was very moved by your testimony Joe, and obviously, knowing you as a person—the compassionate person that you are—and it was reflected in your testimony. I guess what I would ask you then, based upon the plea that was your testimony, what should someone say to the family of an American who is shot down in cold blood by Castro?

Mr. MOAKLEY. I don't have an answer for that either.

Mr. THOMAS. What do you say to someone who believes that, if they practice their religion as a priest and that they happen to be an American in Cuba and they deal in antigovernment action by passing out information stressing freedom, their visa is denied?

Mr. MOAKLEY. I abhor that. I think that's terrible. But we shouldn't allow the Cuban people to be sacrificial pigs because of these things.

Mr. THOMAS. I understand that.

Mr. MOAKLEY. We should treat them like any other human being.

Mr. THOMAS. And in that regard, having visited a hospital, did you also visit a prison while you were there?

Mr. MOAKLEY. No, I didn't.

Mr. THOMAS. You didn't visit a prison.

Mr. MOAKLEY. No, I met with dissidents who thought the embargo was a bad idea and I met people who served many years in jail that felt the embargo was a bad idea. No, I didn't meet prisoners. I was down there for 4 days and I was very busy, but never got to a prison.

Mr. THOMAS. My concern is that compassion is critical, but compassion has to be all encompassing.

Mr. MOAKLEY. I agree.

Mr. THOMAS. I do think your testimony was compassionate, but I thought it was pretty much one-way compassionate. And until we

understand that this problem is far more complex than the kind of strong emotional, compassionate position that you presented, it's going to be even more difficult in resolving the problem. But I do share with you a concern about what's going on down there for all Cubans.

Mr. MOAKLEY. Well, I'll tell you, Mr. Thomas, when I walked through that ward and saw that kid with the tracheotomy, and his mother acting as a nurse, and the doctor telling me for the lack of a 6-inch plastic shunt this boy was in intensive care for 83 days, and lost his lung, there's something wrong with the system.

Mr. THOMAS. And had you gone to a prison, perhaps having seen someone beaten for what they believed in—all they believed——

Mr. MOAKLEY. Absolutely. No, I agree with you.

Mr. THOMAS [continuing]. Was a desire to be free. But someone whose throat was slit because their crime or sin was wanting to be free——

Mr. MOAKLEY. I think that's terrible too. But I don't think we should not——

Mr. THOMAS. I'm only saying that testimony was very compassionate, but I basically felt it was compassionate in one direction and thought if I asked you these questions, I would get the answers that you gave me. And I appreciate your answers.

Mr. MOAKLEY. Well, the only reason I geared on that situation is because we're here talking about lifting the embargo and food and medicine. Thank you.

Mr. THOMAS. Thank you, Mr. Chairman.

Mr. RANGEL. Mr. Chairman, before you leave——

Mr. THOMAS. Prisoners don't need medicine?

Mr. MOAKLEY. I didn't hear the question. I didn't hear the question.

Mr. THOMAS. I only said, prisoners don't eat, prisoners don't need medicine?

Mr. MOAKLEY. Sure they do. I think they should have medicine too.

Mr. THOMAS. OK.

Mr. MOAKLEY. I'm not just saying give medicine to the pediatric ward, but it's a good place to start.

Mr. RANGEL. Mr. Moakley, as the Ranking Democrat on the Rules Committee, you recognize that we have open trade policies with Communist China, Communist North Vietnam, Communist North Korea. To your knowledge, do you know whether any Members of this panel or in the House have visited those jails and visited with the prisoners before they supported free trade with those Communist countries?

Mr. MOAKLEY. Nobody's ever talked to me about it.

Mr. RANGEL. Thank you.

Mr. NEAL. Mr. Crane.

Chairman CRANE. Yes.

Mr. NEAL. Mr. Moakley, could you recount for all of us a conversation that we had with Mr. Castro about the issue of religious liberty?

Mr. MOAKLEY. Well, he said to us—he said the Pope has made a big difference for all religions. He says there's going to be more

practicing of all religions as a result of the Pope's visit and things will never be the same.

Mr. NEAL. All right. Would it also be fair to say, based upon the conversation that we had, that none of us were shrinking violets in our pursuit of Mr. Castro's logic on that issue?

Mr. MOAKLEY. Well, none of us are pro-Castro.

Mr. NEAL. Right.

Mr. MOAKLEY. We're all pro-Cuban citizens.

Mr. NEAL. Thank you very much.

Chairman CRANE. Are there any other questions before Mr. Moakley departs? If not, we thank you very much for your testimony.

And now, Mr. Diaz-Balart.

STATEMENT OF HON. LINCOLN DIAZ-BALART, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. DIAZ-BALART. Thank you, Mr. Chairman. I appreciate very much the opportunity to testify today. I join my colleague Ms. Ros-Lehtinen in stating my belief that the obvious lack of fairness and balance of this hearing is very unfortunate. I would call it an abomination. I think this is an embarrassing and sad moment for this Subcommittee. And yet I appreciate the opportunity to personally testify.

I would seek consent to have my written remarks included in the record, Mr. Chairman. Thank you. That way, I'll try to keep my verbal remarks brief.

When the Pope went to Cuba, much has been said about the Pope. He talked about an urge that the world open up to Cuba. Some have used that as a pretext not to open up to Cuba, but to attempt to open up the dictatorship, to Castro's tyranny. That is not what the Pope said. The Pope stated also Let Cuba open up to the world. Many seem to have forgotten that the Cuban people are part of the world. There has been no opening up of Cuba to the Cuban people since the Pope's visit.

I would—and I'm glad, Mr. Chairman, that you are keeping the record open, because I will submit for the record, the list of political prisoners who have been charged since the papal visit, as well as brochures I see my dear friend, Mr. Menendez, has one here today, explaining in detail the luxury medical services that are available in Cuba, as long as you have dollars.

[The list of political prisoners had not been received at the time of printing. The brochures are being retained in the Committee files.]

There is no lack of medicine in Cuba if you have dollars. But if you want to buy medicines in Cuba, you better have dollars. If you want to buy the most essential goods, even clothing and food, you better have dollars. There is no other government in the world that requires its nationals to possess a foreign currency in order to survive. And that is at the crux of what is being faced by the Cuban people today.

The tyrant, after the collapse of the Soviet Union, has instituted a policy, a basically dollar-only policy, where the Cuban people are required to possess a foreign currency. And yet, if they work even for a foreign company, it is the regime that is paid by the foreign

company, in dollars, and the foreign worker is paid in worthless Castro pesos. Castro keeps every single dollar. And every single dollar that is sent to Cuba has to be spent in the dollar-only stores, where food, medicine, and clothing can be purchased. That is the reality of Cuba today.

So we will see, as you see from the list and my colleague Ms. Ros-Lehtinen has mentioned, today a very long list of witnesses to come to testify, who will come to testify about their wish that it be legal to do business in that apartheid economy that I've described in Cuba. I would ask, and I think they should be put under oath, like the tobacco folks that we see here very often when they come—the tobacco people—we see that film, they're put under oath, and later some perjured themselves, apparently.

I would ask these people who are here to defend the ability to do dirty deals with Castro—many of them have apparently met with Castro already—have you ever or do you now ask of the Cuban dictatorship that it hold free elections in Cuba. I think that would be an appropriate question. I do not believe that anyone who, for example, sought to do a business deal with a slaveowner before slavery was eliminated in the United States, would have asked the slaveowner to free his slaves if they wanted to ingratiate themselves with the slaveowner, do a business deal. So I don't think that these people will ask Castro for free elections, but I think it would be a fair question.

As I think that another fair question would be, is it more likely or less likely that we are contributing to a democratic transition in Cuba by conditioning access to the U.S. market to a democratic transition in Cuba. Is it more likely or less likely that by conditioning our market to a democratic transition, we are helping the democratic transition? I think the obvious answer is yes. There has been no democratic transition in the last 50 years without some form of external pressure, whether it be in Spain, in the Dominican Republic, in Chile, in South Africa, in Haiti. Every single instance of a democratic transition has been with some sort of external pressure.

Our sanction is a unilateral sanction. But we are convinced—and I want to thank our friends certainly on our side of the aisle who have stood very firmly with us on behalf of the Cuban people, and the majority of this Congress that has consistently stood on behalf of the Cuban people's right to free elections.

The issue that we have to keep in mind is that our sanction, while it is unilateral, at the time of the transition, will be indispensable, will be a critical factor, critical leverage, for the Cuban people to be able to recover their sovereignty through a free election. Free elections are, and should be, the essence of our policy. It is our goal. We have repeated 1,000 times, Mr. Chairman, that what we seek to do with the embargo, is to encourage, to facilitate, to grant leverage to the Cuban people, so that they will be able to have an election. Nothing more, but nothing less. That is why we're so grateful to the overwhelming majority, not only of the American people, but of their representatives here in Congress, on a bipartisan basis, who have stood firm in demanding that in this hemisphere there must be freedom and democracy and that will be accomplished.

We are one dictatorship away from achieving a totally democratic hemisphere. That's something to keep in mind. This hemisphere is different and it will be democratic if the United States of America remains firm and at this moment, doesn't change its policy and provide the credits that Castro is seeking, so that the regime may even outlive the dictator.

That is the essence of what we're talking about and I thank you, Mr. Chairman, for the opportunity to testify.

[The prepared statement follows:]

Statement of
Congressman Lincoln Diaz-Balart
before the
Trade Subcommittee of
the House Ways and Means Committee

May 7, 1998

We are witnessing an intensification of efforts to save the tyranny of Castro in the face of the inevitability of the tyrant's death in the coming years and the unwillingness of the Cuban people to remain indefinitely oppressed. The most dangerous recent development in that campaign to preserve the apartheid economic slave system in Cuba even after the tyrant's disappearance is the participation and cooperation of a sector of international and American capital in that campaign. That capitalist sector has hired lobbyists to work against the embargo on Castro in the United States Congress, and the United States Chamber of Commerce has come out against the embargo. The economic slave system which exists in Cuba, where there is a single overseer to whom the salaries of the workers of foreign companies on the Island must be paid in dollars, and this overseer pays the workers in Cuban pesos, that system, degrading as it is for the Cubans, is a paradise for unethical foreign businessmen.

Despite the intensification of the campaign to save the tyranny, I feel more certain every day that Cuba will be free. A national consensus in favor of multi-party democracy becomes apparent more clearly and more strongly every day in Cuba, and that consensus in favor of liberty contains within it a firm rejection of tyranny and oppression. It is only a matter of time until the necessary dynamic is achieved that will permit the Cuban people to put an end to the tyranny and recover their sovereignty through free elections.

The tyranny is obviously preparing for the time when Castro will die. We can see clear signs of its intention to name someone like Alarcón or Lage as Chief of State, probably with Raúl Castro as Head of the Armed Forces. These maneuvers will be accompanied by offers to return previously confiscated property to Americans, all for the purpose of creating increasing pressure for Congress to lift the embargo in order to be able to establish and consolidate a fascist system in Cuba like the one that exists today in Mainland China (the "Chinese Model").

The Chinese Model in Cuba would mean a long-term consolidation of slavery for Cubans. We should always remember that capitalism is NOT synonymous with democracy or liberty; examples in this century abound (Mussolini, Hitler, Trujillo, etc., etc.). Capitalism, although without a doubt the most effective means of creating wealth, is perfectly compatible with oppression. It is also perfectly compatible with democracy and liberty, but the mere fact

that capitalism exists does not guarantee the development of liberty or its consolidation.

Although it is clear that the establishment of a true Chinese Model will not be possible in Cuba during Fidel Castro's rule (since that system requires a certain decentralization of power and other characteristics that the tyrant will never permit), its establishment IS theoretically possible when the tyrant dies. And the tyranny is preparing for its establishment. With that purpose it will make tempting offers to international capitalism to try to gain its support for the Chinese Model, a system which would permit the continuation of the conditions of misery, humiliation, and oppression which Cubans face today.

The decisive struggle of the Cuban people, therefore, will be to avoid the establishment of the Chinese political and economic model in Cuba after Fidel Castro's death and to achieve the return of sovereignty to the people through free elections.

It is essential to realize that establishment of the Chinese Model in Cuba is not possible as long as the American embargo exists. Without access to the American market, a Chinese Model permitting the consolidation of the slave system after the tyrant's death could never be created in Cuba. Those who find themselves in power after the tyrant's death will need to achieve the lifting of the embargo, and the most important leverage available for the Cuban people at that time for the holding of free elections is, precisely, the US embargo. We have repeated a thousand and one times that what we are seeking with the embargo is free elections with full prior political legalization and amnesty for all political prisoners. Nothing more, but nothing less.

I am convinced that the American people firmly believe that the Cuban people do not deserve to be the only people in this hemisphere condemned to live under nazifascist totalitarian oppression. That is why the American people will continue to stand on the side of the Cuban people and against the thugs who oppress the Cubans and the immoral international capitalists who seek to preserve the Cuban apartheid economy to see if the Cuban dictator might offer them a deal or two before their investments are stolen again and US taxpayers once more get stuck with the losses from the investors' tax writeoffs.

Chairman CRANE. Thank you, Lincoln.
Mr. Menendez.

STATEMENT OF HON. ROBERT MENENDEZ, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. MENENDEZ. Thank you, Mr. Chairman, and the distinguished Members of the Subcommittee. I ask that my full testimony be entered into the record, as well.

I'm here to debunk the myths about U.S. economic and trade policy toward Cuba and to oppose the chorus of the blame-America-first crowd at what I consider to be a one-sided hearing.

Our economic embargo is not 39 years old; it's 6 years old. Why do I say that? Because prior to that, U.S. subsidiaries traded with Cuba. The Cuban Democracy Act of 1992 closed those loopholes; the former Soviet Union ceased to subsidize the regime at the rate of $6 billion a year; and Helms-Burton further tightened the noose.

What are the results of those 6 years of a real embargo? Cuba has legalized the American dollar, the most hated symbol of the revolution, which was previously illegal to own; Castro has cut back significantly on the size and capability of the Cuban military, the third largest in the Western hemisphere; and he legalized and now pursues foreign investment. These accomplishments are not as a result of a desire for change by Castro, but out of a necessity to change. A necessity we have created by the loss of the $6 billion. These are changes which occurred as a necessity which we have created since 1992 through our policy.

After years of the Pope desiring to go to Cuba, Castro finally agreed, only because of the Pope's opposition to embargoes, in general. If there was no U.S. embargo, Pope John Paul would never have been invited by Castro to visit Cuba.

"Let's engage," say some. Engagement will bring the walls of tyranny tumbling down. If so, then why have the hundreds of millions of dollars in foreign investment and the hundreds of thousands of visits by Canadians, Spaniards, Mexicans, and others, have not moved Castro 1 inch closer for respect for human rights and democracy?

Canadian Prime Minister Chretien's recent visit to Cuba underscored the inability of engagement to move Castro. To Chretien's credit he sought the release of the four best known political dissidents in Castro's prison, who were imprisoned because they simply published a document entitled, "The Nation Belongs to Everyone: A Blueprint for Peaceful Change and Reconciliation in Cuba."

Castro's refusal to discuss human rights, despite Canada's claim that it can more successfully press for change in Cuba by engaging Castro, left Chretien dumfounded. Canada has proven what many of us have long known—so long as Castro dictates the terms of engagement as he does, engagement itself will not bring change in Cuba.

The Pope's visit was a historical event. It was successful and provided a limited opening for the Catholic Church. It was not Poland in 1979 and regrettably, it has not translated into political or economic change on the island. Since the Pope's visit, 111 people have been arrested for political crimes. That is the same number, ironically, of the number of political prisoners released pursuant to the Pope's visit. The net result on that score remains zero.

As for the issue of food and medicine, let me debunk those arguments forthwith. The United States has provided Cuba over $2 billion in humanitarian aid since 1992, yet the Castro regime has the luxury to pour millions of dollars into their biotechnology industry and is exporting hundreds of millions of dollars' worth of food.

The issue is not that Castro cannot purchase medicine and medical supplies from the United States. He can. The United States has licensed 50 of 53 requests for sales of medicine and medical devices to Cuba. And as for humanitarian assistance, the United States provides annually more assistance to Cuba than all other countries of the world combined.

The blame for the state of the Cuban economy and for any shortage of food and medicine remains squarely on Castro and his Socialist economic policies—the lack of money to buy. On both accounts, food and medicine, there's ample evidence that Castro has

access to medicine, medical supplies, and food, but that these resources are routinely diverted for export or to Cuba's growing pleasure and medical tourism industries.

I would like to show some of Cuba's advertisements, and I believe that this has been passed out to the Subcommittee, in foreign journals. Now it's in Spanish, but I'll tell you what it says. This one is for Servimed, and it says, "An ideal destination for your health, the home of health tourism." In the corner it says, "In Cuba, Servimed puts at your disposal teams of the most experienced scientists, advanced medical technology of an international level, and modern hospital centers." It goes on to say that Cuba has one of the most developed medical systems in the entire world. Yet, average Cubans are not allowed to enter these centers. The shunt that my dear colleague from Massachusetts, who I believe has every good intention, was referring to in the context of that young boy who spent 83 days in an emergency ward, could have been available here at Servimed.

We should also ask why Cuba touts its growing food export industry when ordinary Cubans are standing in line with ration cards to get basic food staples. Just read the April 27 Miami Herald article, which suggests that Cuba is seen as a future competitor in agrobusiness. And it quotes, "From limes to lobsters, Cuban agricultural exports are popping up in more supermarkets around the world," and it goes on to talk about hundreds of millions in exports of food from Cuba to other parts of the world. And it goes on to say that, "Our fundamental goal is to increase exports and foreign-exchange earnings while diversifying," talking about lobsters and shrimp, talking about a whole host of other products to France, Italy, and Japan. Wouldn't the Cuban people like to be eating that at their homes?

I'd like to ask permission to enter some of those articles for the record, Mr. Chairman.

Chairman CRANE. Without objection.

Mr. MENENDEZ. Finally, Mr. Chairman, European, Canadian, and Mexican investments have been unsuccessful in moving Castro to undertake basic changes. Opening a door may increase investment in Cuba, but it will never force Castro to hand over the key which would unlock the door to democratic change in Cuba.

No one more than I and my two colleagues from Florida would like to see what you want to see—greater opportunities for the Cuban people; less suffering for the Cuban people, including my family, who still lives there; to see democratic and free market changes. Our policy, however, must be more than about making money.

And last, it is incredible to believe that all of these enormous economic interests that have come to bear upon this issue really care about the Cuban market. Even one of your later witnesses will tell you, interestingly enough, how Cuba—to quote from one of your witnesses—"the Republic of Cuba's health system has current other countries' supplied channels for products which in a large number of instances are less expensive than similar products from the United States"—referring to health care products.

This is really about USA Engage, U.S. Chamber of Commerce, and others—this is about unilateral sanctions. Now Cuba is per-

ceived as the weak link. It's the Iran and Libya Sanctions Act, it's the billions of dollars that are at stake in the countries affected by those provisions—that is the golden prize. And this is the vehicle to get there. They just think that's a lot harder.

Mr. Chairman, we want to see that from Main Street to Wall Street, democracy is good for the bottom line. It would alleviate the suffering of the Cuban people. It would accomplish what, I believe, is all of our mutual goals. Our policies are making a difference. I urge you to stay the course. Thank you, Mr. Chairman, for your courtesy.

[The prepared statement and attachments follow:]

Statement of Hon. Robert Menendez, a Representative in Congress from the State of New Jersey

I am here to debunk the myths about U.S. economic and trade policy toward Cuba and to get to the crux of what is really happening in Cuba and who is really responsible.

Our economic embargo is not 40 years old—it is 6 years old. Why do I say that—because prior to that U.S. subsidiaries could trade with Cuba and they did. The Cuban Democracy Act of 1992 closed those loopholes, in 1989 the former Soviet Union ceased to subsidize the regime at the rate of $6 billion a year and in 1996, the Helms-Burton bill further tightened the noose. What are the results of those six years of a *real* embargo?

Cuba has legalized the American dollar—previously the most hated symbol of the revolution and which was previously illegal to won, Castro has cut back significantly on the size and capability of the Cuban military, previously the third largest military in the Western hemisphere and he legalized and now pursues foreign investment. These accomplishments were not made out of desire for change by Castro, but out of necessity for change—necessity created by the loss of $6 billion in subsidies from the former Soviet Union and our policy.

In fact, Castro would not have permitted the Pope to visit Cuba, but for his hope that he would criticize the embargo.

Change in Cuba has occurred as a result of U.S. policy, not in spite of it.

I am extremely disappointed that this committee has chosen to put on such a one-sided hearing. There is not a single person on the subsequent panel which represents, what a recent opinion poll found to be the majority view, by 72 percent, among Americans around the nation of support for the embargo.

This isn't so much a hearing, as a pep rally for people interested in making a buck in Cuba at the expense of the Cuban people. How many people here today believe that USA Engage and the US Chamber of Commerce care about the welfare of the Cuban people. These are the same forces who fought the Reagan Administration tooth and nail on sanctions on Russia, like the Trans-Siberian Pipeline embargo and the grain embargo and the same people who fought the imposition of sanctions on South Africa under the apartheid regime. Ironically, today these same people derive tremendous benefits from the success of those sanctions policies.

While business may not appreciate their value as foreign policy tools, trade and aid and the denial of trade and aid are essential components of our limited foreign policy arsenal. The only other tools is international opinion, to the extent that it matters to the country in question.

If the business community is successful is restricting Congress' ability to impose sanctions, they will have also damaged our ability and the flexibility necessary to conduct U.S. foreign policy. While sanctions should never be our first policy choice, they are a necessary tool where other policy options have failed to achieve our foreign policy goals.

In the case of Cuba, clearly public opinion is not a worthy tool. Similarly, the engagement of the Europeans and Canadians in Cuba has proven aid and trade to be equally faulty tools in facilitating political and economic change in Cuba. Facilitating peaceful change to democracy in Cuba is the goal of U.S. foreign policy.

Canadian Prime Minister Jean Chretien's recent visit to Cuba underscored the limited influence of aid and trade vis a vis Cuba. Castro made it clear to Prime Minister Chretien before he arrived in Cuba that while his visit was welcome, there could be no conditions on his visit.

To Chretien's credit, he did attempt to push Castro on democratization and he asked for the release of the four members of the Internal Dissident Working Group. These individuals were arrested last July for writing a document entitled "La Patria

es de Todos," in English "The Nation Belongs to Everyone," a document which described the situation in Cuba, and their plans for peaceful change.

While Chretien was successful in moving Havana to make reparations to Canadian insurance companies and in making progress toward an agreement on foreign investor protection, on human rights he was stonewalled. For those of us who watch Cuba and Castro, it was par for the course.

In the end, the visit proved rather embarrassing for Chretien. Castro's remarks at the airport, comparing the United States to the Nazis and his refusal to discuss human rights, despite Canada's now repetitive and unfulfilled claims, that they can more successfully press for change in Cuba by engaging Castro, left Chretien between a rock and hard place. Canada is now faced with a choice, either it abandons it efforts to press for reforms in Cuba or it must tie future efforts to Canadian economic interests in Cuba. In any case, Canada has proven what many if us have long known—so long as Castro dictates the terms of engagement, as he does, engagement itself will not lead to change in Cuba.

I would like to address Chairman Crane's quote in the hearing announcement which based the premise for this hearing and on the Pope's historic visit to Cuba.

The Pope's visit was a historical event and was successful in providing a limited opening for the Catholic Church, however, it has not been the panacea that many hoped for. It was not Poland in 1979, and regrettably it has not translated into political or economic change on the island. Since the Pope John Paul II's visit, life in Cuba has gone on as usual—Castro has had himself "re-elected" to a fifth term as President, reaffirmed his commitment to the revolution and has arrested 111 people for political crimes—that is the same number of political prisoners he released pursuant to the Pope's visit. In that regard, the score remains zero. Castro continues to adhere to his antiquated beliefs professing "Socialismo o Muerte." He has done nothing to merit a "calibrated" response in U.S. Policy toward his regime.

As for the issue of food and medicine, let me debunk those arguments forthwith.

The issue is not that Castro can not purchase medicine and medical supplies from the United States, the U.S. has licensed nearly every request for commercial sales of medicine and medical supplies to Cuba and commercial travel to Cuba for this purpose—to date, 50 of 53 requests. As for humanitarian assistance, the U.S. provides annually more assistance to Cuba than all other countries combined. In addition to the remittances sent to the island by Cuban-American families, the U.S. Department of Commerce has licensed over 2 billion dollars worth of all types of humanitarian assistance since 1992.

The U.S. embargo is unilateral in nature—Castro can and does have the ability to purchase goods from any other nation in the world, without impediment. The blame for the state of the Cuban economy and any shortage of food and medicine remains squarely on Castro and his socialist economic policies. At a recent conference hosted by Georgetown University, Peter Bourne, Castro's biographer and the author of the notorious American Association for World Health report which blames the embargo for all of Cuba's woes, was forced to acknowledge that the real reason for limited sales of medicine and medical supply sales to Cuba, was not U.S. policy, but the inability of the Castro regime to pay for or attain credit to pay for such purchases.

It is time to stop questioning the embargo and start questioning Castro. The U.S. and other nations need to look beyond Castro's yowling about the embargo and look at what is really happening in Cuba. On both accounts, food and medicine, there is ample evidence that Castro not only has access to medicine, medical supplies and food, but that these resources are routinely diverted for export or to Cuba's growing pleasure and medical tourism industries.

I would like to show you some of Cuba's advertisements in foreign journals. This one for SERVIMED says, "Un destino ideal para su salud"—"An ideal destination for your health, the home of health tourism." In the corner, it says, "In Cuba, Servimed puts at your disposal teams of the most experienced scientists, advanced medical technology of an international level, and modern hospital centers." It goes on to say that Cuba has one of the most developed medical systems in the entire world. Yet, average Cubans are not even allowed into these touted medical health centers. So much for socialist equality, Castro himself is engaged in a system of medical apartheid.

Since the Torres bill deals with both with food and medicine, we should also ask why Cuba touts its growing food export industry when ordinary Cubans are standing in line with ration cards to get basic food staples. Clearly, former Chairman Gibbons didn't see the April 27 *Miami Herald* article on Cuba's growing food export business before he gave his performance on NBC last week.

The Headline said, "Cuba seen as future competitor, or even an ally, in agribusiness

"From limes to lobsters, Cuban agricultural exports are popping up in more and more supermarkets around the world—leading Florida farmers to ponder what long-term impact this may have on their business.

Last year, for instance, Cuban seafood exports came to $180 million, up from $102 million in 1994, according to Anicia E. Garcia Alvarez of the University of Havana."

"Our fundamental goal is to increase exports and foreign-exchange earnings while diversifying," she said. "Until now, our exports have been concentrated in lobsters and shrimp. But we're trying to increase the proportion of live and whole products mainly to France, Italy and Japan."

I would also like to ask for permission to enter this article and a few others into the record.

Whether or not you support sanctions, it ought to be evident that Castro holds the key to change in Cuba. The remaining question is this: Should the United States throw Castro a lifeline by lifting sanctions on Cuba?

Current U.S. law does recognize and respond to the humanitarian situation in Cuba. U.S. policy, under Section 109 of the Libertad Act permits significant assistance, including donations of humanitarian assistance, the sale of medicine and medical supplies and grants to organizations to promote democracy and human rights in Cuba. Since last fall the U.S. Agency for International Development has signed $1.5 million dollars in grants for this purpose and $2 million since the program first began with President Clinton's awarding of a grant to Freedom House.

The visits of Members of Congress and the U.S. business community and the hundreds of European, Canadian and Mexican investments have also been unsuccessful in moving Castro to undertake basic changes. Opening doors may increase investment in Cuba, but it will never force Castro to handover the key which would unlock the door to democratic change in Cuba.

Lastly, we need to recognize that Cuba is not the target that Big Business is after, Cuba is simply the easy target for business' looking to initiate a change in U.S. sanctions policies around the globe. Trade with Cuba is pennies compared to their real targets in the Middle East—Iran and Libya.

No one more than I and my two colleagues from Florida would like anything more than to see democratic and free market changes in Cuba. My family in Cuba, would like nothing more than to see change in Cuba. Our policy must be more than just about making money. From Main Street to Wall Street democracy is good for the bottom line. Democracy is what we need for the Cuban people.

Mark Falcoff

Crisis in Cuba? Don't Blame the U.S.

Like everything else in Cuba, that country's health care system is in a state of rapid decomposition. But Molly Moore's article ["The Hemorrhaging of Cuba's Health Crisis," news story, Feb. 23] misrepresents the real nature of Cuba's economic and social crisis. This piece says Cuba's medical delivery systems are "crumbling beneath the pressures of national economic crises and a U.S. trade embargo that have left hospitals short of equipment and patients without access to drugs." Cuba, we are told, "cannot buy medical equipment or medicines from U.S. companies or subsidiaries of those firms without the approval of the U.S. government," an approval which, it explained, "is so cumbersome that few companies even apply for licenses."

Even worse, with U.S. pharmaceutical giants buying out increasing numbers of medical companies in Europe, Cuba has effectively been shut out of "many of the newest advances, in equipment and treatments because of embargo restrictions."

Who says so? "Cuban government officials." "Critics." "International physicians groups." The American Association of World Health, which Moore describes as "the U.S. committee of the World Health Organization." She does not tell her readers that the president of that body is Peter Bourne, author of an admiring biography of Fidel Castro.

There is no U.S. embargo on the sale of medicines or medical equipment to Cuba. What our government does ask is that some credible third party monitor their ultimate use. This licensing process is far from cumbersome and, indeed, has been interpreted very liberally. Almost anybody outside the Cuban government is acceptable—the Pan American Health Organization, CARITAS or third-country diplomats. As a result, since 1992 the United States has approved 35 of 39 license requests for medical sales. Five licenses were issued for travel to Cuba by representatives of American pharmaceutical companies to explore possible

Taking Exception

sales. Countless Cuban physicians and medical and scientific personnel have been granted visas to attend professional meetings here. Our government has licensed more than $227 million in humanitarian donations of both medicine and medical equipment.

This figure does not include gift packages from Cuban Americans or others in the United States, which run into millions of dollars and arguably represent the single largest source of medicines used on the island today. We are not talking here about Band-Aids and merthiolate but more sophisticated devices such as catheters, syringes, diagnostic kits, fine chemicals for medical and scientific research, cytometers and liquid chromotography gradient programmers.

Why is end-use monitoring necessary at all? We do not want Cuba's purchases to be resold abroad, used in psychiatric hospitals to torture dissidents, employed in the production of biotechnological products, diverted into dollar-only stores or to the health care system exclusively reserved for members of the Communist Party elite, or Cuban military or to special hospitals run for the benefit of foreign "health tourists."

Moore greatly exaggerates the degree to which the embargo affects Cuba's capacity to go to other foreign sources. Most of its needs are readily available in Mexico, Canada and elsewhere, often at virtually no additional cost. But in 1995, while the country imported roughly $2.8 billion worth of goods and services, it spent a paltry $46 million (1.5 percent of its overall foreign acquisitions) on medical imports for its 11 million people. The nearby Dominican Republic spent $208 million on the same products for 7.5 million citizens. Meanwhile, Castro spent millions on an international youth festival.

There is a direct relationship between the kind of government and economic system under which Cuba is forced to live and its deteriorating quality of life—whether it be in the areas of health care, nutrition, medical care, education or sanitation. It would be surprising if this were not so. Command economies do not work anywhere else in the world—why should Cuba be the signal exception? U.S. policy may often have been mistaken, even wrongheaded. But even with the worst will in the world it could not have created the dilemma in which the island finds itself.

The writer is a resident scholar at the American Enterprise Institute.

The Washington Post
March 24 1998

CASI TANTOS INDULTOS COMO ENCAUSADOS ESTE AÑO

LA HABANA, 20 de abril (Monike de Motas, especial para CubaNet)—Informaciones procedentes de la Coordinadora Nacional de Presos Políticos reportan que desde la partida de Su Santidad hasta los primeros diez días de abril fueron en Cuba indultados casi tantos prisioneros como los que han sido procesados entre enero y marzo.

Estadísticas que obran en sus archivos señalan que en los 89 días que median en este primer cuarto de año se condenaron a privación de libertad, por motivos políticos, a 59 cubanos opositores al sistema, mientras que otros 52 se hallan en proceso preparatorio para ser conducidos a los tribunales, lo que completa un total de 111.

Por su parte, entre el 25 de enero y el 10 de abril, el régimen indultó a unos 117 encarcelados, que no contemplan a quienes resultaron desterrados a Canadá, los cuales se vieron obligados a partir directamente de la celda al avión, sin contacto con familiares ni posibilidad de gozar de ningún tipo de libertad en su tierra patria.

Aunque sumando la cantidad de liberados ante la solicitud del Papa, la cifra asciende a 147, pues dos de los destinados a Canadá prefirieron seguir en prisión y otros cinco resultaron denegados por la embajada de ese país, la correlación de encarcelaciones y encausamientos en tan corto período da la medida de los límites de misericordia castrista y del nivel de influencia que pudo alcanzar la peregrinación de Juan Pablo II en los círculos gobernantes, a pesar del respeto y la tolerancia demostrada durante sus homilías en tierras cubanas.

Donde dije digo digo Diego

La lógica indica que una amnistía, por muy pequeña que sea, deja por sentado la libertad incondicional de los beneficiados, así como su posibilidad de autodeterminar el curso a dar a sus vidas con plenos derechos sociales, aún con más razón cuando el término de las sanciones conmutadas es tan breve que el individuo casi ha pagado su deuda con la sociedad.

Pero en un país donde los conceptos se confunden al extremo de divorciarse por completo de la significación semántica dada, la lógica de los demás no siempre tiene que coincidir con lo establecido universalmente. Por ello, nuestros derechos humanos deben ser entendidos de una forma particular. La ética social tiene sus características propias. La moral se marca de modo sui generis, y también la condonación tiene sus limitaciones puntuales.

Por ello, también la presente "absolución" tiene sus medias tintas, pues deja de serlo cuando se obliga al recluso a partir directamente desde la celda hacia el extranjero, sin tener siquiera el más mínimo contacto con sus familiares que, por demás, no sólo deben ignorarlo, sino que tampoco pueden acompañarlo en su exilio forzoso.

De la cifra original de 21 que Canadá accedió a recibir, ese gobierno negó visado a cinco de los propuestos, por haber sido sancionados por delitos de terrorismo y piratería, mientras que otros dos quedaron fuera de la lista al negarse a emigrar. Ninguno de ellos fue puesto en libertad. ¿Dónde, pues, está el supuesto indulto que recibirían?

Pero además, a otros, luego de haber sido incluidos entre los amnistiados, se les cambió la medida por la de libertad condicional, como es el caso de Radamés García de la Vega, el vicepresidente del Movimiento de Jóvenes por la Democracia, quien luego de recibir la condonación de su sanción (a cumplirse en noviembre próximo) y recibir refugio del gobierno norteamericano, le fue aplicado el limitante C–8, por poseer supuesta información confidencial del Centro de Informaciones Científicas, de donde fue expulsado hace tres años, por lo cual se le niega permiso de salida hasta el 2002, y por esa causa ahora se halla en libertad condicional. ¿También él es un indultado?

Desde mi punto de vista, la amnistía *tiene* que ser incondicional, y cuando no es así, deja de serlo. Por tanto, no debe considerarse honesta una lista que incluya situaciones como las relatadas. Sería interesante preguntar al estado cubano cuántos, oficialmente, integran la clemencia papal.

Especulando con listas negras

En la primera decena de marzo, la CNPP tenía bajo su control a 788 presos políticos, pero como durante el primer trimestre han sido sancionados otros 59 disidentes en Cuba, la cifra alcanza ya el orden de los 848.

Tal cantidad de procesados en sólo 89 días mantiene el ritmo de condena a uno cada 36 horas. Si nos dedicamos a especular, con tal promedio tendríamos más de 1,300 prisioneros por causas políticas a fin de año.

Tomando en cuenta que a principios del presente los controles de la organización civilista poseían como dato 928 de estos reclusos podría concluirse que tal tasa de represión activa no sólo habría convertido en humo el acto de clemencia promovido por Juan Pablo II, sino que agudizaría la situación actual en un 30%.

Resulta muy cómodo ganar puntos en la consideración internacional, abogando por el desarrollo y la justicia en las naciones más pobres, mientras que en la propia las libertades civiles, y en especial las de conciencia, empequeñecen a pasos agigantados hasta llegar a la nada.

Es muy fácil también proclamar mentirosa la denuncia pública de las violaciones de los derechos fundamentales dentro de la isla, sobre todo cuando hay buen cuidado de borrar cualquier posibilidad de comprobación que pudiera ofrecerse de modo induditable.

Sin embargo, datos como éstos son los que demuestran hasta dónde llega el abismo de inconciliación que se abre entre los cubanos, por la ausencia de interés en la solución de los conflictos internos de la nación por vías pacíficas.

CHRETIEN, CASTRO TALK BUSINESS, BUT NO DEAL ON RIGHTS

By ANTHONY DePALMA

New York Times Service

HAVANA—Prime Minister Jean Chretien set modest goals for his first visit to Cuba this week: further Canada's substantial business interests here and prod Cuba into doing something about human rights.

After meeting for several hours with President Fidel Castro on Monday, Chretien had a commitment from Cuba to negotiate a foreign investment protection agreement with Canada. Havana also agreed to pay $10 million to a Canadian insurance company that lost its business in Cuba after the 1959 revolution.

But on human rights, Chretien failed to win any concession.

At one point during his meeting Monday with Castro at the Palace of the Revolution, Chretien said he handed Castro a list of political prisoners that Canada wants released. The dissidents—Marta Beatriz Roque, Vladimiro Roca, Felix Bonne and Rene Gomez Manzano—were detained on July 16, 1997, for the "counterrevolutionary" activity of calling for democratic reforms.

"He defended his legal system," Chretien said, "but he took the list and said he was to consider it."

Chretien refused to meet with Elizardo Sanchez, one of Cuba's leading dissidents. But his chief foreign policy advisor and other officials met with Sanchez and other dissidents for more than an hour.

A delicate moment

Chretien's 41-hour visit to Havana, the first by a Canadian prime minister since Pierre Trudeau came to skin dive with Castro in 1976, comes at a delicate moment. Against the wishes of some Cuban Americans and hard-line opponents to the Castro government in the United States, the Clinton administration has moved to ease the 36-year-old economic embargo against Cuba slightly.

Last month President Clinton agreed to lift bans on direct flights to Cuba and cash remittances that allow families to send dollars to Cuba. The President also said he would make it easier for medicine to be shipped to Cuba.

At the same time, Castro has been more bellicose than ever in his condemnation of the United States embargo, going so far this week as to use the occasion of Chretien's visit to compare the embargo to "a new version of the Holocaust," and suggest that United States officials should be tried as war criminals before an international court.

Monday the White House spokesman, Mike McCurry, called Castro's comments "ample evidence of what an 'outlier' he is in the world community." He also criticized Canada's position toward Cuba.

"We certainly understand their desire to achieve change through engagement," McCurry said. "We do not believe there is evidence that engagement with Cuba has produced any change."

Muted criticism

Until now there had been only muted criticism from Washington about Chretien's trip, mostly from the Cuban-American members of Congress who fiercely oppose Castro.

Chretien called Clinton two weeks ago to advise him of the trip, and said Monday that Clinton had only asked him to bring up the question of Cuba's record on human rights. "The only comment he made to me was 'I hope, Jean, that you will raise human rights,' " Chretien told reporters. "And it was the first item of the presentation I made this morning."

From the moment Chretien arrived Sunday night to dedicate a new airport terminal in Havana that was financed, designed and built by Canadians, it was clear that the prime minister's modest goals for the trip would be overshadowed by Castro's attempts to defy the United States.

While Chretien gently outlined Canada's desire to see Cuba move more closely into "a more dynamic, more democratic, more prosperous hemisphere," Castro lambasted the United States.

"No state should pretend to have the right to starve another people to death," Castro said as Chretien stood stiffly behind him. "That is turning a nation into a ghetto and imposing on it a new version of the Holocaust."

Published Tuesday, April 28, 1998, in the Miami Herald.

CUBA SEEN AS FUTURE COMPETITOR, OR EVEN AN ALLY, IN AGRIBUSINESS

By LARRY LUXNER

Special to The Herald

WASHINGTON—From limes to lobsters, Cuban agricultural exports are popping up in more and more supermarkets around the world—leading Florida farmers to ponder what long-term impact this may have on their business.

Last year, for instance, Cuban seafood exports came to $180 million, up from $102 million in 1994, according to Anicia E. Garcia Alvarez of the University of Havana.

"Our fundamental goal is to increase exports and foreign-exchange earnings while diversifying," she said. "Until now, our exports have been concentrated in lobsters and shrimp. But we're trying to increase the proportion of live and whole products, mainly to France, Italy and Japan."

Garcia was one of a dozen speakers at a recent conference at Washington's Cosmos Club. Nearly 100 attendees listened as experts from University of Havana and University of Florida in Gainesville assessed the future of Cuban agribusiness.

A chief focus of the day-long conference was citrus—an industry crucial to Florida but also one that represents strong export earning potential for Cuba. In 1997, the Caribbean island said it produced 808,000 metric tons of oranges, grapefruit, limes and tangerines—the largest crop since 1991. It currently ranks third in total grapefruit production, behind the United States and Israel.

Largest orange grove

Cuba is also home to the world's largest orange grove under one management, a sprawling plantation in Jaguey Grande, about a two-hour drive east of Havana in Matanzas province. That operation, run by Israel's BMGroup, exports Cuban fruit mainly to the Netherlands for distribution throughout Europe, providing Cuba with badly needed foreign exchange. Because of the U.S. trade embargo against Cuba, BM's officials have been banned from entering the United States.

Yet if the embargo were lifted, some say Florida could see some business benefits.

"Florida, because of its geographic location, could become a supplier of inputs required by the citrus and broader agricultural sector in Cuba, as well as a source of new technology," writes Tom Spreen of UF's Institute for Food and Agricultural Sciences.

"Cuban grapefruit, because of its latitude, matures earlier, and represents a real market if and when the embargo is lifted. Clearly, Cuba has an opportunity to be a very strong player," he adds. "Because of land constraints in Dade County, Florida will not reach the production levels of limes it had before Hurricane Andrew. One could easily see an opportunity for alliances between importers and growers of limes in Cuba."

Tomatoes, too

That's also the case when it comes to tropical fruits and vegetables, such as mangoes, tomatoes, plantains, melons, cucumbers, peppers and carrots.

"Given Cuba's location relative to the east coast of the U.S., and its climate, it is reasonable to postulate that Cuba could regain its prominence as a major fresh vegetable supply region to the U.S. market," Spreen says. "Some have even speculated that Florida-based growers and shippers may form an alliance with Cuba to compete with the California-Mexico alliance which currently threatens their survival."

In the case of seafood, Cuba's once-proud fishing fleet—made possible by cheap, subsidized Soviet fuel—took a sudden downturn in the late 1970s, when "virtually all coastal nations in the Americas imposed 200-mile limits for their territorial waters in the late 1970s," said UF professor Charles M. Adams. "With few exceptions, the exclusive rights claimed by these coastal nations excluded access by all other countries to the fisheries resources found in their territorial seas."

Nearly all of the 19.7 million pounds of spiny lobster Cuba produces annually is exported—mostly in the form of cooked whole lobster, with lesser quantities of raw, whole lobster and frozen tails. In terms of total value, the major markets for Cuban spiny lobster are Japan, France, Spain, Italy and Canada.

If Washington decides to lift the embargo against Cuba, the island nation could enjoy a sudden increase in exports of spiny lobster, pink shrimp, snapper and other

species to the U.S. market—providing its prices are competitive with Nicaragua, Honduras and other traditional seafood exporters, the experts said.

Adds Bond Pace, owner of Pace Marketing Inc. in Port St. Lucie: "If the embargo were finally lifted, it would open up a completely new range of imports. We'd see a lot of the major restaurant chains and processors go flying right over to Cuba and offer to buy all their production."

Published Monday, April 27, 1998, in the Miami Herald.

US DEPARTMENT OF STATE
Office of the Spokesman

For Immediate Release May 14, 1997

FACT SHEET

THE U.S. EMBARGO AND HEALTHCARE IN CUBA: MYTH VERSUS REALITY

"Our country has gone from preventive medicine...to sophisticated medicine, and today we have things that no on else has." Fidel Castro, 1997.

SUMMARY

There is a large body of misinformation and outright disinformation about the present state of healthcare in Cuba, including the false accusation that it is U.S. policy to deny medicine or medical supplies and equipment to the Cuban people.

The sad reality is that the healthcare available to the average Cuban has deteriorated because the Castro government has made a conscious choice to direct its increasingly scarce resources elsewhere. The Cuban Government's deliberate policy includes depriving its people of basic medical needs, while actively developing a closed, parallel healthcare system for the Communist Party elite, foreign "health tourists," and others who can pay for services in hard currency.

As for the U.S., the truth is that the Cuban Democracy Act of 1992 permits American companies and their subsidiaries to sell medicine and medical equipment to Cuba. Since 1992 the U.S. has approved 36 of 38 license requests for commercial sales of medicines and medical equipment to Cuba. During the same period, the U.S. has licensed over $150 million in humanitarian assistance -- more than the total worldwide foreign aid received by Cuba in those years -- much of which came in the form of medicines and other health-related items. This total does not include the millions of dollars in medicines sent to Cuba in the form of "care packages" from relatives living in the U.S.

CUBA'S ECONOMIC CHOICE: THE REGIME'S HEALTH OVER THE PEOPLE'S

Cuba's economy is in disarray as a direct result of its Government's continued adherence to a discredited communist economic model. This decline has directly affected the health of ordinary Cubans. Lack of chlorinated water, poor nutrition, deteriorating housing and generally unsanitary conditions have increased the number of cases of infectious diseases, especially in concentrated urban areas like Havana.

The grave economic problems in Cuba were exacerbated by the demise of the Soviet Union and the ending of the $5 billion in subsidies that the USSR gave annually to the Castro government. Cuba made significant advances in the quality of healthcare available to average citizens as a result of these subsidies. However, it devoted the bulk of its financial windfall to maintaining an out-sized military machine and a massive internal security apparatus.

The end of Soviet subsidies forced Cuba to face the real costs of its healthcare system. Unwilling to adopt the economic changes necessary to reform its dysfunctional economy, the Castro government quickly faced a large budget deficit. In response the Cuban Government made a deliberate decision to continue to spend money to maintain its military and internal security apparatus at the expense of other priorities -- including healthcare.

According to the Pan American Health Organization, the Cuban Government currently devotes a smaller percentage of its budget for healthcare than such regional countries as Jamaica, Costa Rica and the Dominican Republic.

HEALTHCARE IN CUBA: "MEDICAL APARTHEID" AND HEALTH TOURISM

Of course, not everyone in Cuba receives substandard healthcare. In fact, senior Cuban Communist Party officials and those who can pay in hard currency can get first-rate medical services any time they want.

This situation exists because the Cuban Government has chosen to develop a two-tiered medical system -- the deliberate establishment of a kind of "medical apartheid" -- that funnels money into services for a privileged few, while depriving the healthcare system used by the vast majority of Cubans of adequate funding.

Following the loss of Soviet subsidies, Cuba developed special hospitals and set aside floors in others for exclusive use by foreigners who pay in hard currency. These facilities are well-equipped to provide their patients with quality modern care. Press reports indicate that during 1996 more than 7,000 "health tourists" paid Cuba $25 million for medical services.

Cuba's "Medical Technology Fair" held April 21-25 presented a graphic display of this two-tier medical system. The fair displayed an array of both foreign and Cuban-manufactured medicines and high-tech medical equipment and services items not available to most Cubans. The fair showcased Cuban elite hospitals promoted by "health tourism" enterprises such as SERVIMED and MEDICUBA.

On the other hand, members of the Cuban Communist Party elite and the military high-command are allowed to use these hospitals free of charge. Certain diplomatic missions in Havana have been contacted and told that their local employees can be granted access privileges to these elie medical facilities -- if they pay in dollars.

The founder of Havana's International Center for Neurological Restoration, Dr. Hilda Molina, in 1994 quit her position after refusing to increase the number of neural transplant operations without the required testing and follow-up. She expressed outrage that only foreigners are treated. Dr. Molina resigned from her seat in the national legislature, and returned the medals Fidel Castro had bestowed on her for her work.

In 1994, Cuba exported $110 million worth of medical supplies. In 1995, this figure rose to $125 million. These earnings have not been used to support the healthcare system for the Cuban public. In fact, tens of millions of dollars have been diverted to support and subsidize Cuba's biomedical research programs -- money that could have been used for primary care facilities.

Another means of earning foreign exchange at the expense of providing health-care to ordinary Cubans is the government's policy to export its doctors to other countries. South Africa alone has nearly 300 Cuban doctors. Cuba, in the early 1990's, reportedly planned to have 10,000 physicians abroad by the turn of the century.

A group of Cuban doctors recently arrived in the United States said they were "mystified" by claims in a recent report of the American Association for World Health (AAWH) that the United States embargo is to be blamed for the public health situation in

According to these doctors, *"we...can categorically and authoritatively state that our people's poor health care situation results from a dysfunctional and inhumane economic and political system, exacerbated by the regime to divert scarce resources to meet the needs of the regime's elite and foreign patients who bring hard currency."*

Referring to the growing disparity between health-care provided to ordinary Cubans and that offered to tourists and high ranking Communist party members, the exiled Cuban doctors noted that they *"wish that any one of us could provide tours to foreign visitors of the hospitals Cira Garcia, Frank Pais, CIMEQ, and Hermanos Ameijeiras, in order to point out the medicines and equipment, even the bedsheets and blankets, reserved for regime elites or dollar-bearing foreigners, to the detriment of our people, who must bring their own bedsheets, to say nothing of the availability of medicines."*

This statement by these newly arrived Cuban doctors is corroborated by the latest available trade figures for Cuba (1995). Cuba imports totaled 2.8 billion dollars, yet only 46 million dollars -- only 1.5 percent of overall foreign purchases --on medical imports for its 11 million people. By comparison, Cuba's neighbor, the Dominican Republic spent 208 million dollars on medical imports for its 7.5 million citizens in 1995.

U.S. SALES OF MEDICINES AND MEDICAL SUPPLIES TO CUBA

The US embargo does NOT deny medicines and medical supplies to the Cuban people. As stipulated in Section 1705 of the Cuban Democracy Act of 1992, the US Government routinely issues licenses for the sale of medicine and medical supplies to Cuba. The only requirement for obtaining a license is to arrange for end-use monitoring to ensure that there is no reasonable likelihood that these items could be diverted to the Cuban military, used in acts of torture or other human rights abuses, or re-exported or used in the production of biotechnological products. Monitoring of sales can be performed by independent nongovernmental organizations, international organizations, or foreign diplomats.

Since 1992, 36 of 38 license requests have been approved to U.S. companies and their subsidiaries to sell medicine and medical equipment to Cuba. Sales have included such items as thalamonal, depo-provera, pediatric solutions, syringes, and other items. The Department of Commerce declined the other two requests for licenses it received for failure to meet legal standards. Both of these exceptions to the general policy of approving commercial medical sales occurred in 1994.

Moreover, the U.S. embargo on Cuba affects only U.S. companies and their subsidiaries. Other nations and companies are free to trade with Cuba. Should Cuba choose not to purchase from the US, it can purchase any medicine or medical equipment it needs from other countries. Such third country transactions only cost an estimated 2-3 percent more than purchases from the U.S. as a result of higher shipping costs.

HUMANITARIAN ASSISTANCE

The Cuban Democracy Act encourages the donation of humanitarian supplies to the people of Cuba, including medicine, food, and clothing.

Since the passage of the Cuban Democracy Act, the U.S. has become the largest donor of humanitarian assistance to Cuba. Much of the humanitarian assistance by U.S. non-governmental organizations consists of medicines and medical equipment. The US government has licensed more than $150 million in humanitarian assistance to Cuba over the last four years. That is more than the total of worldwide foreign aid to Cuba during that period.

U.S. humanitarian assistance has been distributed throughout the island, including to medical clinics. Monitoring is not required for donations of medicines for humanitarian purposes to non-governmental organizations in Cuba.

In addition it is believed that the single largest source of medicines used in Cuba today is the large volume of "care packages" sent to Cuba by family members living in the US. These "care packages" are worth millions of dollars each year.

MEDICAL CONTACTS

In addition to providing licenses for both humanitarian assistance and commercial sales of medical items, the U.S. has issued 21 visas to Cuban medical doctors in 1997 to attend medical congresses and/or to visit U.S. medical institutions. Among other things, Cuban doctors have visited the Center for Disease Control, the University of Puerto Rico (BioEthics Congress), the American Academy of Orthopedic Surgeons Annual Meeting, the Johns Hopkins University/Johns Hopkins Schools of Medicine, University of North Carolina at Chapel Hill/Duke University (HIV infections), the Marmer Medical Eye Center, and the American Academy of Neurology (Parkinsons Disease). In 1996 visas were issued to 125 researchers in the natural sciences, most of whom were doctors who worked in hospitals and clinics throughout Cuba.

TECHNICAL INFORMATION FOR LICENSE REQUESTS

License applications are required for travel and the shipping of commodities, whether humanitarian gifts or commercial sales. Applications for travel licenses are submitted to the Office of Foreign Assets Control (OFAC) in the Department of the Treasury. License applications for commercial sale and humanitarian shipping of medical supplies are submitted to the Bureau of Export Administration, Department of Commerce. However, subsidiaries of U.S. companies that require a license to sell medicine to Cuba must apply to OFAC. Please note that OFAC has a Fax-On-Demand Service with complete information. That Fax-On-Demand Number is (202) 622-0077.

Please send OFAC applications to:

Director of the Office of Foreign Assets Control
Department of the Treasury
1500 Pennsylvania Avenue, N.W. -- Annex
Washington, D.C. 20220

PHONE: (202) 622-2480 FAX: (202) 622-1657

Please send Department of Commerce applications to:

Office of Exporter Services
P.O. Box 273
Bureau of Export Administration
Department of Commerce
Washington, D.C. 20230

PHONE: (202) 482-4811 FAX: (202) 482-3617

Chairman CRANE. Thank you, Mr. Menendez.
And now, Mr. Torres.

STATEMENT OF HON. ESTEBAN E. TORRES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. TORRES. Thank you, Mr. Chairman. First, let me apologize for being late, but I appreciate this opportunity to meet before your Subcommittee.

I want to congratulate you, Mr. Chairman, and my colleagues, for scheduling this hearing and for the integrity and the focus that is being provided here. Very few policy issues really provoke the emotion, the vehemence, the polarization, the disagreement, the disinformation, and the pure hostility that a discussion on U.S.-Cuba policy does.

We will undoubtedly witness this in the remarks of many of my colleagues. I know they're upset. I know that they're the guards of the embargo policy and whose comments have preceded me. Sadly, it's an arena where supporters of our current policy, which politically and economically isolates Cuba, portray those who disagree with them in matters not only that I think violate the decorum, the

credibility of this institution, but I think that all too often, Mr. Chairman, they accuse those who disagree with their views as somehow lacking in patriotism, or somehow lacking in respect for human rights, as being duplicitous, and always as being allies or dupes of the Cuban leaders that they so bitterly hate.

I can understand their hate, but I think it's a foreign policy issue that does not tolerate a middle ground—not at all. It's a policy of almost total economic embargo, with dire and many maintain illegal effects upon the Cuban people. So, I congratulate the Subcommittee—my colleagues on the Subcommittee and their staffs are putting the needed focus on the policy toward Cuba and its effect upon the Cuban people. The Cuban people. The people Mr. Menendez and Mr. Balart talked about.

I am the author of the Cuban Humanitarian Trade Act, H.R. 1951. And I want to show you, Mr. Chairman, that along with 121 Members of Congress, Republicans and Democrats, we are proposing that our current total embargo on the commercial sale of food and our current de facto embargo on the commercial sale of medicine, medical equipment, and supplies, be lifted.

My legislative effort came after I had the opportunity to see with my own eyes in Cuba the condition of Cuban people, and after I had studied reports from medical authorities about the effects of our policies. Plain and simple. I understand also from our military experts that Cuba does not pose a significant military threat to the United States or any countries in the region. We saw that today in the newspaper and we read Secretary Cohen's report. Cuba has little motivation to engage in military activity beyond defense of its territory and political system. As a final consideration, the United States maintains a fully outfitted naval base right on the island. Right there.

While there's much disagreement about the impact of our current policies, there's no disagreement about the fact that the Cuban people are suffering. So, Mr. Chairman, you have to see it to believe it. Some of my colleagues who are the principal architects and defenders of our current embargo maintain that it's Fidel Castro who is causing the suffering, the shortage of food, and of medicine—we heard that today—despite the fact that they have brilliantly designed, implemented, and maintained one of the harshest economic embargoes in the world, save none.

I want to quote the Pope again. He said, "it's a monstrous act that we perpetuate." But my colleagues on this Subcommittee know full well that an economic embargo is no tea party. An economic embargo is a serious and drastic policy option available to nations, and usually it's invoked cautiously and in cooperation and in conjunction with other policy options, and in full consultation and coordination with one's allies.

But not our Cuban embargo. No. It is applied with the grace of a sledgehammer and maintained almost boastfully in the face of near total opposition from all of our Nations' allies. An embargo against Cuba is a unilateral embargo, it enjoys no support from our allies, it isolates us from our allies, it is ridiculed by our allies, and our enemies use it to demonstrate that the United States has lost the ability to identify genuine threats to security. It doesn't work.

Unilateral embargoes don't work. We've had enough time to measure its effects. What—39 years? It doesn't create the climate for democracy. It doesn't create a movement toward a market-oriented economy. It doesn't create the basis for free and civil society. Instead, all it has created is deprivation and hardship. It denies a population the basic necessities of life. And it deliberately provokes misery and discontent.

Its authors intended that this misery and discontent would provoke civil unrest and cause an overthrow of the Castro government. It hasn't. But it has become Fidel Castro's ally and it's used by him to place the blame of the suffering and the unhappiness of the Cuban people upon the United States. Supporters are hesitant to own up to the full effects upon the Cuban people of their carefully crafted embargo. They choose instead to discredit the messenger, as it happened with the report from the American Association for World Health.

This report wasn't easily dismissed. However, it is a U.S. committee for the World Health Organization whose honorary chairman is no less than Jimmy Carter. Its team performed a year-long review of the implications of our embargo which included onsite visits to 46 treatment centers and related facilities, 160 interviews with medical professionals and other specialists, government officials, representatives of nongovernmental organizations, churches, and international aid agencies. And their 300-page report, a study by distinguished medical experts, my fellow colleagues, concluded that, "The U.S. embargo of Cuba has dramatically harmed the health and nutrition of large numbers of ordinary Cuban citizens . . . it is our expert medical opinion that the U.S. embargo has caused a significant rise in suffering—and even in deaths—in Cuba . . . the U.S. trade embargo—one of the most stringent embargoes of its kind, prohibiting the sale of food and sharply restricting the sale of medicines and medical equipment was further tightened by the 1992 Cuban Democracy Act."

Defenders of our economic embargo maintain that the sale of medicine is permitted under the embargo. Well virtually every communication from embargo supporters states that the sale of medicines is legal under U.S. laws. Well, it's true in fact, except that the administration of the licensing and the regulation hurdles that a U.S. business must comply with in order to transact medical sales business in Cuba, have created a de facto embargo. Which makes any real sales insignificant in volume. It discourages also real commercial sales efforts.

Our Department of State in a fact sheet stated that licenses to sell medicine and medical supplies are routinely issued. In statements which were widely distributed to the U.S. Congress, the Department of State stated that, "Since 1992, 39 license requests have been approved for U.S. companies and their subsidiaries for sales of medical items to Cuba. Thirty-one licenses were for the commercial sale of medicines, medical equipment, and related supplies to Cuba. Five licenses were issued for travel to Cuba. Eight were provided before the Cuban Democracy Act, and three licenses have nothing or have missing information." Out of 39 licenses, you know how many made it to Cuba? Nine. Nine. Big deal. Big sale.

I heard today from a colleague here stating that 55 licenses have been issued. That's even a bigger number. We've analyzed the copies of those 36 routinely approved requests for licenses to sell medicines to Cuba, Mr. Chairman. I have them here. A copy of each of those, and their final disposition, and I'd like permission to enter them into the record.

[The information had not been received at the time of printing.]

Chairman CRANE. Without objection, so ordered.

Mr. TORRES. Mr. Chairman, five licenses were for travel only. No sales here. Eleven of those licenses were not even U.S. businesses selling to Cuba, but were international organizations—the United Nations, which planned to donate portions of the medicine and supplies to Cuba rather than sell them—so there's a lot of discrepancy in this, Mr. Chairman.

My friends, there's another simple fact that the embargo supporters will not tell you. Castro's opposition in Cuba, the dissidents, the people that are opposed to Fidel Castro, sat with me in the American special interest section in Havana, and told me, to a man and woman, Mr. Congressman, lift this horrible embargo. It is killing us. And these are Castro's opposition. These are the men and women that had been in prison and are out and are opposition to him. They want us to lift this. It is killing the Cuban people.

My colleagues, as much as our U.S. policy toward Cuba is defended and justified by misstatements, it's also shrouded in darkness. Just look at the record. Look at the record. Covert invasions, assassination attempts, commando activities, nuclear threats, beatings, jailings, human rights violations, embargoes on food, medicine, travel, alienation of our allies, all in the name of wanting to bring democracy to the Cuban people. It isn't working. It is immoral. And it does not bring credit to a country that prides itself in being humane and fair in order to bring some morality and some sanity to our Cuban policy, my friends.

I'm here to ask you today to support efforts to remove food and medicine from our misguided embargo against the Cuban people.

Mr. Chairman, I have a statement much further than this and I would like to have it included in the record. I want to thank the Subcommittee for opening this public dialog on such an important issue toward our policy toward Cuba. Thank you.

[The prepared statement and attachments follow. The U.S. Department of the Treasury attachment is being retained in the Committee files.]

Statement of Hon. Esteban E. Torres, a Representative in Congress from the State of California

Mr. Chairman, Colleagues, Ladies and Gentlemen:

First, I wish to congratulate, the Chairman of this Subcommittee, my esteemed Colleague, Congressman Phil Crane for scheduling this hearing, and for the integrity of its agenda and focus. Very few public policy issues provoke the emotion, vehemence, polarization, disagreement, disinformation and pure hostility that a discussion of U.S.-Cuba policy does. We will undoubtedly witness this in the remarks of my colleagues who are the "guards" of the embargo policy, and whose comments will follow mine. Sadly, it is an arena where supporters of our current policy, which politically and economically isolates Cuba, portray those who disagree with them as somehow lacking in patriotism, as somehow lacking in respect for human rights, as being duplicitous and as being allies of the Cuban leaders they so bitterly hate. It is a foreign policy issue that does not tolerate a middle ground. It is a policy of almost total economic embargo, whose dire—and many maintain, illegal—effects upon

the Cuban people are denied publicly and then made the object of "humanitarian" aid strategies and programs. So, I congratulate Chairman Crane, my colleagues on this subcommittee and their staff for putting needed focus on our policy towards Cuba and its effects upon the Cuban people.

Mr. Chairman, I am the author of the Cuban Humanitarian Trade Act, H.R. 1951. Along with 121 of my colleagues, we are proposing that our current total embargo on the commercial sale of food, and our current defacto embargo on the commercial sale of medicine, medical equipment and supplies, be lifted.

My legislative efforts came after I had an opportunity to see with my own eyes, the condition of the Cuban people, and after I studied reports from medical authorities about the effects of our policies. I understand also from our military experts that Cuba has no military capabilities to project itself beyond its borders, and that its army maintains a totally defensive posture, and of course, the Cold War ended almost 10 years ago. As a final cap: we maintain a fully outfitted naval base on the Island.

While there is much disagreement about the impact off our current policies, there is no disagreement about the fact that the Cuban people are suffering. Some of my colleagues, who are the principal architects and defenders of our current embargo, maintain that it is Fidel Castro who is causing the suffering, the shortages of food and of medicine. In spite of the fact that they have brilliantly designed, implemented and maintained one of the harshest economic embargos in the world, they speak as if our policies have no negative impact upon the Cuban people. But, my colleagues on this subcommittee know full well that an economic embargo is no tea party. An economic embargo is a serious and drastic policy option available to nations, and usually invoked cautiously and in cooperation and conjunction with other policy options and in full consultation and coordination with one's allies. But not our Cuban embargo. It is applied with the grace of a sledgehammer and maintained, almost boastfully, in the face of the near total opposition of all of our nation's allies.

Embargo supporters do not want the public to know the difference between a unilateral embargo, where one country, alone, maintains trade prohibitions against another country, and between a multilateral trade embargo, where multiple countries build and maintain the embargo against the offending nation. Our embargo against Cuba is a unilateral embargo: it enjoys no support from our allies, it isolates us from our allies, it is ridiculed by our allies, and our enemies use it to demonstrate that the United States is in a period of decline. It also doesn't work. Unilateral embargos don't work. We have had enough time to measure its effects: it does not create the climate for democracy, it does not create a movement toward a market-oriented economy, it does not create the basis for free and fair civic society. Instead, it creates deprivation and hardships, it denies a population the basic necessities of life, and it deliberately provokes misery and discontent. Its authors intended that this misery and discontent would provoke civil unrest and cause an overthrow of the Castro government. It hasn't, but it has become Fidel Castro's ally, and used by him to place the blame for the suffering and unhappiness of the Cuban people upon the United States.

In spite of profound changes in geopolitical relationships, especially where private sector, free market dynamics are being portrayed as the most important vehicle for building democratic institutions, U.S.-Cuba policy remains one of almost completely prohibiting any free market activity.

Supporters are hesitant to own up to the full effects upon the Cuban people of their carefully crafted embargo. They choose instead to attempt to discredit the messenger, as happened with the report from the American Association for World Health. They accuse all critics as dupes or allies of Fidel Castro. The opinion of the American Association for World Health is not easily dismissed, however. It is a U.S. Committee for the World Health Organization whose honorary chairman is President Jimmy Carter. Its team performed a year-long review of the implications of embargo restrictions which included on-site visits to 46 treatment centers and related facilities, 160 interviews with medical professionals and other specialists, government officials, representatives of non-governmental organizations, churches and international aid agencies. Their 300 page report, a study by distinguished medical experts, concluded:

"The U.S. embargo of Cuba has dramatically harmed the health and nutrition of large numbers of ordinary Cuban citizens. . . it is our expert medical opinion that the U.S. embargo has caused a significant rise in suffering—and even deaths—in Cuba. . . . the U.S. trade embargo—one of the most stringent embargoes of its kind, prohibiting the sale of food and sharply restricting the sale of medicines and medical equipment—was further tightened by the 1992 Cuban Democracy Act."

In many instances they misrepresent facts and figures to their advantage. One of our colleagues, one of the embargo's most vehement defenders, at a public hearing

told the subcommittee that "fifty percent of all cocaine from South America comes through Cuban waters." Not one DOD or DEA witness would back up that misstatement because in spite of Cuba's proximity to Florida, less than 9 percent of the South American drug traffic tries to use Cuban waters as a cover for their activities. One of the main reasons is that the Cuban government has been strongly allied with U.S. anti-drug efforts, but you won't hear about this from pro-embargo supporters.

In another instance, defenders of our economic embargo maintain that the sale of medicine is permitted under the embargo. Virtually every communication from embargo supporters states that the sale of medicine is legal under U.S. laws. True in fact, except that the administration of the licensing and regulation hurdles that a U.S. business must comply with in order to transact medical sales business with Cuba have created a defacto embargo which makes any real sales insignificant in volume. It discourages also real commercial sales efforts.

Our Department of State in a "Fact Sheet" stated that licenses to sell medicine and medical supplies are "routinely" issued. In statements which were widely distributed to the U.S. Congress the Department of State maintained:

> "Since 1992, 36 of 39 license requests have been approved for U.S. companies and their subsidiaries for sales of medical items to Cuba. Thirty-one (31) licenses were for the commercial sale of medicines, medical equipment, and related supplies to Cuba. Five (5) licenses were for travel to Cuba by representatives of American pharmaceutical companies to explore possible sales."

From this statement, my colleagues deduced that the sale of medicine by U.S. businesses to Cuba was "routine", no problems.

Recently, my office received and analyzed copies of these 36 "routinely" approved requests for licenses to sell medicine to Cuba. Either the Department of State does not know what a commercial sale by a U.S. company is, or, it is misleading the U.S. Congress. Five (5) licenses were for travel only: no sales here. Eleven (11) of the approved sales licences were not to U.S. businesses selling to Cuba, but were to international organizations (such as the United Nations) which planned to donate potions of the medicine and supplies to Cuba rather than sell them. Actually these "donated" sales amounted to about 2/3 of the total U.S. medical sales to Cuba cited by DOS. Eight remaining licenses were entered into prior to the enactment of the Cuban Democracy Act, leaving only eight (8) licenses for commercial sales of medicine by U.S. companies to Cuba. I am providing copies of these license requests so that they may be entered into this hearing record for members of the public to determine the accuracy of our State Departments claims.

Our total embargo on the sale of food to Cuba is not only defenseless, it is a violation of international and moral law. Have you ever heard the embargo architects and supporters defend their right to deny the commercial sale of food by U.S. businesses to Cuba? Has the Department of State issued a "Fact Sheet" on this violation of the Geneva Convention? We need to ask their spokesperson, who is here today: to name the countries in this dangerous world against which the U.S. has a total commercial embargo on the sale of food. I believe the answer is, just Cuba.

My colleagues, recently a Congressional delegation visited Cuba. In advance of their trip, they asked two stanch embargo defenders, who are Members of Congress, to provide them with a list of the names of Cubans who were in opposition to the Castro government and with whom they could meet to discuss the embargo. In Cuba, they contacted the persons on this list, and had them invited to meet with them at our U.S. Interest Section. At this meeting, one of the Members of Congress—who had voted for Helms-Burton asked for a "yes or no" answer to the question: "Do you support the U.S. embargo against Cuba?" Every one of these Cubans, opponents of the Castro government, said "no," they strongly opposed the embargo. Not one supported the embargo. One of this group of human rights activists, independent journalists and religious representatives summed up the overwhelming opinion of the Cuban people: this person told the Congressmen: "Only a masochist would support the embargo"

My friends, why is it that the embargo supporters will not tell you this simple fact: Castro's opposition in Cuba overwhelmingly oppose our embargo. The Cuban people as a whole dream for the day when it will be lifted.

Mr. Chairman and my colleagues, as much as our U.S. policy towards Cuba is defended and justified by misstatements, it is also shrouded in darkness. Just look at the record: covert invasions, assassination attempts, commando activities, nuclear threats, beatings, jailing, human rights violations, embargos on food, medicine, travel, alienation of our allies, all in the name of wanting to bring democracy to the Cuban people. It isn't working. It isn't moral and it does not bring credit to a coun-

try that prides itself as being both humane and fair. I would ask you to look at our embargo through the eyes of very talented Californian, who spent a number of months on a photojournalistic assignment in Cuba. Her name is Heidi McGurrin and she currently has an exhibition of her Cuban photographs in the Cannon Rotunda. These are her words:

> "If you imagine many beautiful hummingbirds, multicolored and gentle beauties, whose little necks were held by large clumsy hateful hands, who squeezed them a little more each chance they get, This is what the embargo reminds me of."

As a start, towards getting these hands off of the necks of the Cuban people, I would ask my colleagues to support efforts to remove food and medicine from our misguided embargo against Cuba.

I have a further statement and some documentation which I request be entered into this hearing record along with my remarks. I thank the Chairman and Members of the Committee for calling this hearing and for opening this public dialogue on the important issue of our current policy towards Cuba.

Thank you very much.

Chairman Crane, Colleagues, Ladies and Gentlemen:

I congratulate my esteemed Colleague, Chairman Phil Crane for scheduling this hearing, and for bringing attention to the important topic of U.S. Economic an Trade Policy Toward Cuba.

Given the attention on Cuba as a result of the recent Pope's visit, it is vital that the U.S. appraise the impact of its Cuba policy. Public hearings are an important aspect of this appraisal process and I am grateful for this opportunity to share with this Subcommittee some of my perspectives on current U.S.-Cuba policy.

U.S.-Cuba policy has been remarkably consistent for the past 38 years: it is a policy which seeks to isolate Cuba politically and economically. A keystone of this policy is the maintenance of a total economic embargo.

In my remarks today, I would like to share with you some of the unique aspects of U.S.-Cuba policy which make our embargo one of the harshest in the world, and one which almost totally isolates the U.S. from all of its allies worldwide.

One characteristic of current U.S. Cuban policy is that in spite of profound changes in geopolitical relationships, where private sector, free market dynamics are being portrayed as the most important vehicle for building an appreciation for, and the practice of, democratic institutions, U.S.-Cuba policies remain one of almost total economic embargo. A case in point: U.S. policy towards the People's Republic of China stresses most favored nation trading status as the core element of our relationship, and the centerpiece of the U.S.'s efforts to bring its belief in free market democracy to the world's largest Communist nation. With Cuba, for some reason, this dynamic does not apply. Instead, the U. S. does the opposite. The U.S. policy strategy for Cuba, one of the world's smallest socialist countries, is to implement, maintain and increasingly tighten one of the harshest economic embargoes in the world, all in the name of providing "support to the people of Cuba".

Let me identify some elements of the U.S. embargo against Cuba which in my opinion make it the "world's harshest"

- the U.S. embargo bars any ship that docks in Cuba from docking at any U.S. port for six months. Most international shipping agents refuse to allow any ship that meets the U.S. Coast Guard an Federal Maritime Certificate of Financial Responsibility requirements to sail to Cuba. This leaves only 12 to 15 of the worlds available tankers to call at Cuban ports. This provision alone thwarts Cuban purchases of food and medicine from other countries and, when ships are willing to dock, often doubles the cost of shipments.
- U.S. law stipulates on-site verification for medical sales. This provision forces companies to assume responsibility for end-use, a procedure that raises the financial and potential liability costs to companies and actively dissuades them from selling to Cuba. Efforts are further frustrated by the fact that neither the Treasury nor the Commerce department has published any regulations defining how to meet the on-site verification requirement.
- The U.S. embargo bans medical exports that could be used to develop Cuba's fledgling biotechnology industry. This provision thwarts Cuba's promising biotechnology industry, which has been developed in part to meet food and medicine requirements locally since the embargo thwarts the island's ability to import basic goods. The industry has produced several "firsts" including meningitis B and hepa-

titis vaccines, as well as the domestically produced vaccines which maintain Cuba's ranking as 26th in the world in infant and child mortality, similar to the U.S.

• Our policy of embargo against Cuba serves to isolate the U.S. internationally. It enjoys virtually no support from other nations. The U.S. embargo is roundly denounced by the world diplomatic and medical community. The United Nations has condemned this embargo for five years, as have numerous other organizations. In 1996 the U.N. condemned the embargo 137 to 3, the three being the U.S., Israel (which has a multi-million dollar investment in Cuba's citrus industry) an Uzbekistan.

• The embargo 'presumes denial' for licensed medical sales. The Office of Foreign Assets Control (called OFAC), in the U.S. Department of the Treasury, charged with the bulk of licensing medical sales to Cuba, interprets the 1992 Cuban Democracy Act (CDA) as discouraging medical sales. OFAC's Director testified before Congress: "In 1993 (licensed Cuban trade with U.S. subsidiaries) was down to $1.6 million....accounted for by approximately 15 or 16 licenses which were pre-CDA contracts....Frankly I believe the number next year to be even less, falling ultimately to zero." OFAC says 38 licenses have been issued since 1992, six for travel only. According to its own figures then, OFAC has granted a total of 14 licenses in five years for a dollar amount under $2 million. In 1991, the last year before CDA's enactment and time of deep recession, Cuba purchased $719 million of mostly food and medicine from U.S. subsidiaries, with $500 million of that for medicines.

• the U.S. embargo completely bans food sales. Like other Caribbean nations, Cuba imports most of its food. The free flow of medicine *and food* was allowed in the multi-lateral embargoes against North Korea, Vietnam, South Africa, Chile, El Salvador, the Soviet Union and Haiti. In recent UN-supported embargoes against Iraq and the former Yugoslavia, the U.S. joined the UN position that trade in both medicines and food must be allowed to maintain the health of civilian population.

As any visitor to Cuba can plainly see, the Cuban people are suffering. Supporters of currently U.S. policy argue that this suffering is the fault of the Cuban leadership. Without entering into the intricacies of this question, I believe that U.S. policy should make sure that the misery of the Cuban people is not in any way caused by U.S. restrictions on the sale of foods and medicine. Clearly, the current U.S. policy does not permit us this position.

As a matter of fact, prohibitions and restrictions on the sale of food and medicine are fairly recent. U.S. subsidiaries were allowed to sell food and medicine to Cuba before 1992, until passage of the Cuban Democracy Act which, in response to concerns voiced at the time, justified the admitted harsh measures as 'the nail in Castro's coffin'. Supporters of this harsh action promised that within six months the people would revolt against such deprivation and Castro would fall. The former Chairman of the U.S. House of Representative's Ways and Means Committee, a member of the U.S. Congress, representing a district in the State of Florida for 34 years, remembers the debate at that time about the health impact cutting off foods and medicine trade would have on the Cuban people. He recalls, and I quote: "There was a big debate about the health impact cutting off such sales would cause back then, but we were assured that such harsh measures would only last six months or so since the people would rebel against Castro and put 'the final nail in his coffin.' Well, here we are six years later and he's still walking around. But who knows how many Cuban people made it to coffins well ahead of their time because of these terrible restrictions." President Castro's eminent demise is constantly stated as the reason for maintaining the U.S. embargo.

Just recently, on January 13, 1998, my Colleague from Florida, Congressman Lincoln Diaz-Balart, one of the staunchest advocates for our current economic policies against Cuba, again invoked Castro's eminent demise and asked for "more time" for our embargo to work when he stated that: "Now that Castro is ill and will soon be gone from the scene is *not* the time to abandon the U.S. embargo....".

My friends, I would maintain the opposite: now is exactly the time to remove the ill-conceived, U.S. restrictions on trade in foods and medicine. In May, 1997, along with twenty bi-partisan Colleagues in the U.S. House of Representatives, I introduced the Cuban Humanitarian Trade Act (H.R. 1951). Quite simply, my bill would remove current restrictions on food and medical exports to Cuba, and currently has over one hundred cosponsors. A companion bill, with bi-partisan support, has recently been introduced in the U.S. Senate. I am pleased to inform you that both bills are building strong support from across the U.S. Our bills enjoy the support of most organized religious groups, human rights organizations, medical practitioners, and most recently, the formal endorsement of the U.S. Chamber of Commerce and the International United Automobile Workers Union, AFL–CIO. An effort to build a nationwide Latino consensus in support of HR 1951 was initiated recently. Indeed, the Cuban American community has already voted on this issue. They have voted with

their pocket books because they are the source of the largest hard cash infusion into the Island of Cuba, when, mainly in violation of the very laws which their Congressional allies and leaders have enacted and fight to maintain, they pour between $800 and $1.1 billion a year into Cuba. North Americans from different communities with differing views on the embargo itself, are coming together in agreement that the restrictions on food and medical products have gone too far and should be repealed.

The Pope's visit to Cuba focused world attention on the state of affairs in that Island. His Holiness has already spoken out about how U.S. restrictions on food and medicine hurt the people of Cuba.

I would urge my colleague, Chairman Phil Crane, to initiate public hearings on my bill which has been referred to, and sits directly in his Subcommittee. Surely a bill which is building such broad and diverse support deserves public hearings. Finally, I would like to leave you with some comments on this issue from a truly distinguished American who has recently publicly supported my bill. I will quote to you from General John J. Sheehan (Retired) who was the U.S. Armed Forces Supreme Allied Commander, Atlantic and Commander in Chief, Atlantic Command, and as such supervised refugee operations at the U.S. military base at Guantanamo Bay, Cuba. The General was at a press conference sponsored by the U.S. Chamber of Commerce recently when he made the following statement:

> "I am here today to support the newly formed coalition Americans for Humanitarian Trade with Cuba. For the first time, Americans from different communities, with differing views on the U.S. embargo, come together to support the sale of food and medicine to Cuba. For over thirty-five years, the single most restrictive policy in our history has resulted in increased misery for the people of Cuba and has encouraged Cuban people to migrate to other countries while making no substantive change in the leadership of the Cuban government. All this for a country that does not pose a military threat to the security of the United States.
>
> "Including food and medicine in the current embargo—the only such embargo existing—runs counter to our humanitarian tradition. We can no longer support a policy which causes suffering of the most vulnerable—women, children and the elderly. It is time for us to correct this policy and its unintended effects on the innocent people of Cuba."

My friends and colleagues, a new political wind is sweeping across America. Its force is growing and will soon be felt within the offices, halls and backrooms of the United States Congress. The American people no longer believe that being a causal factor in the poor health and nutrition of the Cuban people is a moral, or effective, response to our political disagreements with their leaders. They are beginning to understand that U.S. restrictions on food and medicine trade with Cuba does not contribute toward building the climate for democracy on that Island. They want a policy towards Cuba which does not isolate them from all of our allies. Cuban Americans deserve a policy towards Cuba which does not punish their loved ones, and which does not sow the seeds of inter-community strife and conflict. Most importantly, it has long been known that the American people believe passionately in fair play, and our current policy restrictions on food and medicine trade with Cuba is not fair to its people, does not achieve its stated goals, and does not reflect the vision and compassion which have long been the hallmark of U.S. foreign policy.

Helms-Burton is an unprecedented effort by one sovereign nation to manipulate and control the political direction and destiny of another sovereign nation. It was born not out of a sense of fair play; it was designed to punish and to vindicate. It permits the current Cuban government to avoid the consequences of its policies by blaming its shortcomings on the "colossus to the North". It may be, ironically, the mechanism which props up the Cuban government and insulates it from accountability to its citizens. It was passed as a direct response to the shooting down of Brothers-to-the-Rescue planes by the Cuban government. It is widely believed that, but for this incident, it would not have passed Congress nor have been signed by the President. It does not represent a high mark in U.S. foreign policy wisdom, and it makes me wonder who's winning and who's losing behind this Helms-Burton. It is a bad bill and it is time for a change.

Chairman CRANE. We thank you, Mr. Torres.

Before we get into questions from Members of the Trade Subcommittee, having listened to some of the objections about the fair-

ness in terms of representation here and guaranteeing that all sides have had an opportunity to testify, let me assure you all in the strongest possible terms that we've done everything possible to accommodate any witness that wants to come before this Subcommittee.

And specifically, this hearing was announced in an advisory dated April 21, which invited any interested parties to request to testify. This notice was released to the press, was sent by e-mail to individuals who've requested to be notified of Subcommittee releases, and was placed on our home page.

In an effort to hear from all sides of this issue, Subcommittee staff sent copies of the advisory to your office, Ileana, and yours too, Lincoln. Both of you got those. And spoke to or faxed the notice to individuals who testified before the Subcommittee previously on Cuba.

In response to the hearing notice and the additional efforts of the staff to disseminate the notice, the Subcommittee did not receive any requests at all from public groups or individuals who support maintaining current policy.

Earlier this week, our staff asked the offices again, of you Ileana and you too, Lincoln, if you had any names of any such witnesses. And yesterday, Ileana, you suggested the names of two, and we added them to the witness list. However, we were notified yesterday evening that they can't participate in the hearing today.

In short, this Subcommittee has tried its utmost to provide a forum for all views. And frankly, I don't know what more we could have done. And for some unexplained reason, however, our efforts don't appear to have satisfied some of our colleagues and I do not understand how they have this view.

Finally, I note that our hearing record is open for public comment until May 21, and anyone interested in submitting a statement for the record, should do so by that date.

And now I yield to our distinguished Ranking Minority Member, Mr. Rangel.

Mr. RANGEL. Thank you, Mr. Chairman.

Mr. Diaz-Balart.

Mr. DIAZ-BALART. Yes, sir.

Mr. RANGEL. In your statement, you were not inferring that the Communists had influenced the U.S. Chamber of Commerce.

Mr. DIAZ-BALART. No, no, not the Communists, no, no. What I was saying is the U.S. Chamber of Commerce now has taken a position in favor of being able to make business deals with an economy that is in essence an apartheid economy. And quite frankly, that's not something that should be surprising, because that same Chamber of Commerce supports that policy toward China and other regimes that completely prohibit all labor rights.

Mr. RANGEL. They don't have any problems with businesses dealing with communism—that's what you and I are saying.

Mr. DIAZ-BALART. That's correct.

Mr. RANGEL. And our government's position is that doing business will cause these Communists to try to move toward free markets, that's generally the underlying theory.

Mr. DIAZ-BALART. That's lip service—lip service. That's the lip service to cover and give some sort of sugarcoating to the policy of

going into a market, where workers have absolutely no rights, and in the case of Cuba, they're not even paid one dollar, they're paid in worthless Castro Cuban pesos, and all the dollars are kept and split by the investor who invests with Castro and Castro. So they sugarcoat it by saying that they may bring—make—Castro a Democrat, but that's not their intent.

Mr. RANGEL. I see. As relates to the use of the peso and the dollar, the fact is that in all of the food stores and the marketplaces, at least in Havana, it is pesos. And in trying to see its comparable value in dollars, the food, milk, the bread, the meats—if meats are available—are very inexpensive and they're paid for in pesos. The dollar stores, on the other hand, are luxury stores that are overly priced and are paid for in dollars and some theorize that the moneys that they get for those can afford it subsidizes the peso. But I just want you to know that, as relates to the food in the marketplace, no dollars are there.

Mr. DIAZ-BALART. No, in the dollar-only stores.

Mr. RANGEL. Yes.

Mr. DIAZ-BALART. And I think it's good to bring out even the most elemental goods are sold and what has happened in the recent past in Cuba is that items that used to be purchased in the stores where people go with ration cards, even the most elemental goods are now having to be purchased in the dollar-only stores. Which originated, as you stated, with the concept of luxury stores. But now even the most elemental goods have to be purchased in dollars.

That's why I maintain, and I reiterate, that the only government in the world that I know of that requires its citizens to possess a foreign currency, in order to buy even the most elemental of goods, is the Castro regime.

Mr. RANGEL. I didn't say elemental goods—I'm saying luxury goods.

Mr. DIAZ-BALART. Luxury, no, no, no—clothing, food, and medicine. Medicines, for example, those medicines that you saw there in the—I hope you have a copy of the brochure that Mr. Menendez brought—those medicines can only be purchased in the dollar-only pharmacies.

Mr. RANGEL. Let's get quickly to medicine. If you were assured that food, medicine, and medical equipment were only going to those people who are poor, sick, and in need of these, would you have any objections to that type of equipment and medicine being transferred to the Cuban people?

Mr. DIAZ-BALART. Current law permits and, as Mr. Menendez stated, over $2 billion of humanitarian assistance which includes food and medicine, has been sent by the American people——

Mr. RANGEL. Would you have any objections?

Mr. DIAZ-BALART. I do not object to current law, no.

Mr. RANGEL. Would you have any objection in relaxing the licenses if you were assured that it was getting to the people and not to the government?

Mr. DIAZ-BALART. No, my point is that current law permits——

Mr. RANGEL. I didn't say current law, because——

Mr. DIAZ-BALART. It's current law.

Mr. RANGEL. It's very——

Mr. DIAZ-BALART. And the sale of medicine is legal and I support the current law.

Mr. RANGEL. I'm trying to frame my question that it is very complicated for someone to sell anything as relates to current law. I'm saying, if the objective was to make certain that the food, the medicine, and the medical equipment really went to those who needed it, would you support relaxing present law and the license requirement to make certain it got there?

Mr. DIAZ-BALART. It's not necessary, because current law permits the sale of medicine and the only impediment——

Mr. RANGEL. Lincoln, the answer is no. OK.

Mr. DIAZ-BALART. The impediment, Charlie——

Mr. RANGEL. The answer is no, so let me move to a next question.

Mr. DIAZ-BALART. No, but the impediment for the people——

Mr. RANGEL. I'm just asking——

Mr. DIAZ-BALART [continuing]. Not to get the food and medicine is Castro, Charlie.

Mr. RANGEL. I understand you. Everything is Castro.

Mr. DIAZ-BALART. No, not everything. Tyranny is Castro. Freedom is not Castro.

Mr. RANGEL. Lincoln, give me a break, will you?

Mr. DIAZ-BALART. I'll give you all the breaks you want, Charlie.

Mr. RANGEL. Thank you. Would you have any problem with Cuban-Americans visiting their families easily, leaving Florida, wherever, and going to Cuba and having direct flights to do it. For us to be able to make it easier for people to see their loved ones in Cuba. Would you have any objections to any regulation changes——

Mr. DIAZ-BALART. President Clinton announced that, and I did not support that.

Mr. RANGEL. Then you do object.

Mr. DIAZ-BALART. I did not support—yes, I objected.

Mr. RANGEL. For Cuban-Americans to be able to rejoin their families in their Cuba.

Mr. DIAZ-BALART. The action announced by President Clinton, which——

Mr. RANGEL. No, do you find it difficult to just answer me. I know what Clinton has done. I'm trying to establish a dialog with you.

Mr. DIAZ-BALART. Ask the question.

Mr. RANGEL. Would you have any objections to Cuban-Americans sending money to their people, to their families that are poor, in Cuba?

Mr. DIAZ-BALART. That is legal and it's done through the current law.

Mr. RANGEL. Do you object to that?

Mr. DIAZ-BALART. It's done for humanitarian reasons.

Mr. RANGEL. It's not done for humanity; it's done because they want to send their mother and their grandmother some money.

Mr. DIAZ-BALART. And it's done. Exactly.

Mr. RANGEL. Do you object to that?

Mr. DIAZ-BALART. I——

Mr. RANGEL. Forget it.

Mr. DIAZ-BALART. If you want to forget it, that's fine. But one thing that I think we should not forget and that I would like one time for you to call for, is free elections in Cuba and the right of the Cuban people to be free, and no more pretexts for a 39-year-old dictatorship. That's what we shouldn't be forgetting.

Mr. RANGEL. It's easy for you to debate these things, and me too. The people suffering are not you, they're not me, it's not Castro, it's not Clinton, it's the people that are in Cuba.

Mr. DIAZ-BALART. And that's why they need elections and it's——

Mr. RANGEL. Elections will make them well, will make them healthy, will give them jobs, would allow them to visit their loved ones, and to hug their children and their grandparents—all you need is an election. Forget China, forget North Vietnam, forget North Korea—that's accepted. But Cuba, Florida——

Mr. DIAZ-BALART. I can't stop what I consider to be an immoral policy with regard to China. But I think that this Congress will continue to stand with the Cuban people and insist that they be free and that this hemisphere be free. Yes, I think that we can make this hemisphere an exception—a totally democratic and free hemisphere.

Mr. RANGEL. I would not bet on it.

Mr. DIAZ-BALART. Well, you better bet on the Cuban people being free, because they're going to be.

Mr. RANGEL. They will be, but not because of this policy.

Mr. DIAZ-BALART. Not because of you and me—because of the Cuban people.

Mr. RANGEL. You're right, and the Cuban people in Cuba; not in Miami.

Mr. DIAZ-BALART. The Cuban people—No, no. I can see how the salaried people finally start earning their commissions. Let me say one thing. The Cuban people desire freedom, they deserve freedom, and the Cuban-Americans, just like Irish-Americans dream for peace and freedom in Ireland, they dream for peace and freedom and democracy for their brothers in Cuba. And I think that the discrimination and the double standards against Cuban-Americans, which sometimes is heard by opponents of current policy, is something that's truly unfortunate. And I think that we should agree on that the Cuban people deserve freedom and deserve democracy.

Chairman CRANE. I would like to remind the audience that any public displays are not permissible in the Committee room, so please withhold your emotional reactions.

And, Mr. Thomas.

Mr. THOMAS. Thank you, Mr. Chairman. I've often discovered that one of the easiest ways to determine whether or not a witness list, in terms of who it attracts and what's done, can best be settled by an applause meter, so that when comments are made or points are scored and you see who cheers for what, pretty well tells you.

Frankly, I don't understand why the Cuban people are now in Florida and in Miami. I don't know why they just don't go home. I don't know why we don't have an open and free travel policy with Cuba, so that when we say Cubans are going to determine freedom, it's going to be Cubans who choose where they want to be, who determine freedom.

Now, I find that some of the discussions leave me at a distinct disadvantage, because frankly, all of the information I have about Cuba is secondhand. I have never had dinner with Castro; I've never had a brandy and a cigar with Castro; I've never had a guided tour so that I could see the real Cuba. But I do have some secondhand information that I've tried to glean from a number of sources to be able to understand what goes on in that country.

One of the things I've discovered is that there is now an opportunity for individuals to practice free enterprise in Cuba. That they can run a taxi or own a restaurant. And if any statement I make is inaccurate, I would like to be corrected, because its my understanding that if someone wants to have a little restaurant they can. They can actually be engaged in free enterprise. But my understanding also is that they can't have any employees. Now you really can't grow any kind of a business.

And what I don't understand is, when you have a bill—and I guess Mr. Torres would be the best one to explain to me—you describe this as a bill which would permit the commercial sale of food and medicine. And from my information, Cuba's basically a closed society. It's a closed system.

In fact, the discussion between my friend Lincoln and my friend Charlie about the state stores, I am familiar with, but it was in the Soviet Union—they were called verioskas in terms of the hard currency stores and in fact they were prevalent in Socialist systems as a way to get hard currency. And it's ironic that the discussion is about an expansion of a second government-owned system dealing in hard currency only, and every time I see that, that clearly tells me that the system is a Socialist system.

So if we're going to move food and medicine, whether it be for commercial sale or even for that matter, humanitarian purposes, what's the distribution system? The gentleman from New York quite rightly put it—if you could get the food and medicine into the hands of the people who really needed it regardless of political position or influence with the government.

What's the distribution in the system inside Cuba that would guarantee the humanitarian distribution of food or medicine, or how do you distribute products equitably or inequitably in a commercial way in a closed Socialist system? How are you going to accomplish that? Who is there, inside Cuba, that would carry on the retail sale, distributed reasonably, or humanitarian distribution, of food and medicine? My assumption is the Catholic Church would be an instrument. International Red Cross has been used in the past. Are they going to be there in numbers?

What is it that gets us what some folks have said they wanted. I can't figure out how you don't simply reenforce Castro and any structure he wants to use for purposes of maintaining control, only it's our products and goods, whether commercially or humanitarianly, used to strengthen Castro, not to necessarily benefit in a very equitable and reasonable way the Cuban people? Where am I wrong in my thinking?

Mr. TORRES. Mr. Thomas, you and I have traveled around the world to many, many places, and we've seen many countries and how they affect their economies and how they move distribution. I would really, because I know you and because we've traveled to-

gether, I would beseech you to try and take a trip to Cuba. And look for yourself—see for yourself—how that system works and how the systems work there. There are large restaurants and little ones and medium-sized ones, with employees, with waiters, and waitresses, and food handlers. There are co-ops, there are farms, there are stores.

Many of the things that you probably want to see and get answers to probably can't be done because there is no way which—where Americans, we, those of us that are saying that we ought to engage in these commercial endeavors, we don't have a process of negotiating with Cuban counterparts on how to do these things.

Mr. THOMAS. What is the Cuban counterpart in terms of a distribution system for commercial sale of medicine inside Cuba?

Mr. TORRES. Well, a drugstore.

Mr. THOMAS. Who owns the drugstore.

Mr. TORRES. The proprietor.

Mr. THOMAS. How does the proprietor get their product?

Mr. TORRES. Right now, it's smuggled in there. Right now, it's however he can get it from another country.

Mr. THOMAS. But the principal economic interaction or intercourse is smuggling?

Mr. TORRES. Many of the issues there are smuggled. People send—you can't——

Mr. THOMAS. So what you want us to do is encourage the illegal activity inside a country?

Mr. TORRES. No, no.

Mr. THOMAS. By utilizing the smuggling system?

Mr. TORRES. I haven't asserted that. I said—you asked me how do these products get there, and I gave you a reason of how they get there.

Mr. THOMAS. But is the principal reason—no, but the principal reason can't be smuggling.

Mr. TORRES. Well that, and many other ways, they get there. They get——

Mr. THOMAS. Let's focus on the many other ways. Give me one legitimate way.

Mr. TORRES. Well, they buy. They buy it——

Mr. THOMAS. Who do they buy it from?

Mr. TORRES. They buy it from a German pharmaceutical company.

Mr. THOMAS. And the German pharmaceutical company can come in and interact with anyone inside Cuba with no government responsibility relationship?

Mr. TORRES. That's correct. But the German pharmaceutical can't come in if in any way it's a subsidiary of a U.S. pharmaceutical company. Because under our current laws, they're prohibited from doing that. But a French company—wholly owned by France—could come in and sell a product to Cubans, get it on the shelf, without any government intervention.

Mr. THOMAS. One of the problems I have is that the brochure I was shown, and it may be that the brochure is not accurate, specifies the means of payment, which is dollars, which is apparently not the currency of most folks in Cuba. I find it difficult that there can be any kind of an open and free distribution system in which

the government determines the type of currency and the appropriateness under which that currency is either usable or not in the purchase of goods. That, to me, creates a pretty bizarre economic structure——

Mr. TORRES. Mr. Thomas, you should go to Havana and see——

Mr. THOMAS. And somebody might—Mr. Menendez, you want to get in——

Mr. MENENDEZ. Mr. Thomas, I think your question is very well put. Let me give you very simplistic answers. First, is that there is no deal that is struck in Cuba without Fidel Castro—read the New Republic article—and the government is the distribution network even for the Catholic Church. The Catholic Church does not have the vehicles to do distribution; it's the government distribution vehicles and they take part of the goods that the church distributes.

Second, the fact of the matter is that the Red Cross in Cuba is the Cuban military; there is no International Red Cross and the International Red Cross is not permitted to go in.

So the answer to your question is, in a state-controlled economy, every aspect of the economic life of the people goes through the central government. And that is the answer to your distribution question.

Mr. DIAZ-BALART. And if I may,——

Mr. THOMAS. Mr. Chairman.

Mr. DIAZ-BALART [continuing]. Mr. Thomas——

Mr. THOMAS. Go ahead.

Mr. DIAZ-BALART. Just one point—just a point of clarification—no Cuban can own a pharmacy. I think that's important just because it was, I think, brought out in another way. The fact is that no Cuban can own a pharmacy. And with regard to the restaurants it was brought out, Castro has now allowed Cubans to run restaurants as long as it's in their own homes and with a maximum of 12 chairs.

Mr. THOMAS. Just recall the information in other closed controlled systems and the attempt to distribute food on a humanitarian basis, in which the dictator went so far as to repackage the food stuff, so that they could receive goods and not know who it came from.

What concerns me the most is that the arguments which are quite passionate about the need to assist on a humanitarian, or even a commercial basis—which I really have a difficult concept in a closed system—that doesn't benefit Castro, that Castro doesn't control for his own purposes. When in fact you believe that you are doing something worthwhile, what you're actually doing is strengthening the very structure that you say you want to sometime have pass away.

It is a very difficult situation. I appreciate my colleagues in terms of their testimony. But we aren't the ones who closed the system and we are the ones who can open it up. Thank you very much.

Chairman CRANE. Mr. Neal.

Mr. NEAL. Thank you, Mr. Chairman. Obviously, Castro's personality still draws strong reactions, pro and con. But for the panelist here, I did ask him about free elections; I did ask him about reli-

gious liberty; I did ask him about free markets; I did ask him about political prisoners; and, was less than satisfied with the answers that I received.

The point here that I would like to express is simply this—why not use the model of the Pope's intervention which worked so well in Eastern Europe, to give us the opening that will bring about the end of a totalitarian system and will lead to a demand for more political reforms based upon religious reforms.

I watched the Pope skillfully slap Castro from one end of that island to the other with his remarks. He never once embraced the notion of Marxist politics. He said that they had trampled on human rights.

This is not an argument right now about Castro. What we're attempting to do is argue about its impact on the Cuban people. The notion of embracing some sort of humanitarian assistance is consistent with American history. It's consistent with what we've tried to do in other parts of the world. We can give an opportunity here to that same model that I mentioned a moment ago—for what the Pope did throughout Eastern Europe, which we collectively have amnesia about when it comes to Cuba.

Mr. MENENDEZ. Mr. Neal, I would like to address that question—if I may. First of all, as you know, I have a great deal of respect for the work we have mutually done on promoting peace and justice in Northern Ireland.

Mr. NEAL. Nobody in this house has done a better job than you have, Mr. Menendez.

Mr. MENENDEZ. I appreciate that. So I know where you're coming from. I want to preface my remarks by that. Let me just simply say the following: The Pope's visit, and what he sought, is much different than the Pope's visit in 1979 to Poland and what was done throughout Eastern Europe. Our support of solidarity, overtly and covertly, our support of others in Hungary and the Czech Republic is much different than what the church—if you read the Holy Father's own book in the context of what he did with the Reagan administration, in covert operations in Poland. You will see a very dramatic difference. You will see a very dramatic difference in the statements that are made directly about democracy.

I agree with you. The Holy Father did not embrace Fidel Castro's policy. But the church in Cuba is different than the church in Poland. So there are differences.

Last, with reference to your point about this not being about Castro; but about helping the Cuban people. We, in fact, are helping the Cuban people. Nobody ever talks about provisions like section 109 in the Helms-Burton Act, which I helped write. This section is, in fact, about assisting the Cuban people. It is about providing humanitarian assistance to the Cuban people. And it is about giving them, in a wide variety of ways, assistance that is humanitarian and also democracy provoking.

The point is that when we say this is not about Cuba—if we were to lift the embargo totally tomorrow, you need hard currency unless we're just going to give dramatic credits—millions of dollars' worth of credits—you need hard currency to purchase, whether it be from a U.S. company or the same German company that my dear colleague from California mentioned, you need the hard currency. And

if you don't have hard currency, you cannot purchase the goods that you need, which goes back to Castro's economic reform. I'm not even talking about political human rights, which I agree with, of course, but talking about economic reform that would produce the hard currency that could produce the purchases, even under our present system.

Mr. NEAL. Thank you, Mr. Menendez. And we also will refer in the future—it's going to be Helms-Thomas—— [Laughter.]

Chairman CRANE. Folks, let me interrupt for a moment here, because I know that Mr. Shaw and Mr. Jefferson have questions too. But, we're down to about 6 minutes; it's raining outside; we're going to have to go underground for the vote. So, I think we had best recess the Subcommittee and come back here——

Mr. SHAW. Mr. Chairman, could I ask that these witnesses—I just have an observation that, I think, should be made at this point. And I wasn't going to make this observation until I saw the amused atmosphere of the audience in this room, and then I looked down on the witness list—O'Leary, Berry, Muse, Kav—one I can't even pronounce—Barnes, Quigley, Wilhelm, Fuller, Gary—where are the Cuban-Americans? The Cuban-Americans are the three people right there that are taking a strong position on behalf of the Cuban people right here at our witness table.

I think, and I know, and know in the spirit of the Cuban-American people, that if we had a second hearing on this, you couldn't even get into the hall it would be so jammed with members of the Cuban community just out of Dade County. No, the Cuban future is not going to be decided in Miami; it is going to be decided in Cuba. And that's the way it should be.

But I think that we need to be sure that we listen to the Cuban-American people; those that have experienced the suffering; those as Mr. Menendez says, whose family is still living there; Mr. Diaz-Balart and Ileana—the witness that they have given us and the emotion that they have given us shows this is the land of their fathers and this is something that, I think, ought to carry a definite weight.

I commend them for their statements, I commend them for being here today, and I would like to associate with their remarks. It's been a lot of hemorrhaging, a lot of suffering, but let's not give it up now. We are winning now and we are seeing that Castro is beginning to almost beg and I think it's time for us to stand firm for democracy in Cuba.

Mr. JEFFERSON. Mr. Chairman, I don't expect these witnesses to come back just to hear from me. So I suppose I might as well say something and get that done, so they can stay away from this Subcommittee—I suppose, what they'd like to do.

This debate—this discussion—debate—has been quite interesting and quite enlightening. I think the great weight of the trend in the Congress and in the country is away from the idea of unilateral sanctions. Lee Hamilton and Gilman right now have a bill in to study the whole issue. There have been great pronouncements made about the cost of unilateral sanctions to our country and the ineffectiveness of it.

I haven't been to Cuba, I haven't smoked a cigar, or had any brandy with anybody. But I know the way things are trending. In

Iraq just recently, a country we just recently had war with, we lifted the sanctions for humanitarian purposes—let them sell oil for food. We, in Vietnam, a country we had war with, we just normalized our relations with respect to trade investment. And just done yesterday, we have a thing called Gum Araby—we made the exception that you were leaning on for a bill against the Sudanese which—further sanctions against them. We made the exception, therefore—a substance that simply makes sodas and plastics and a few other things, which in no wise gets as high on the radar screen for human beings as drugs, whatever.

It's a complex issue and I hope we'll have a chance to discuss it further. I wish we could ask you questions about it, but thank you, Mr. Chairman, for letting me speak.

Chairman CRANE. Thank you. Folks, we're going to stand and recess subject to the call of the Chair and I think we only have about 3 minutes left.

[Recess.]

Chairman CRANE. Please be seated. And our next witness is Michael Ranneberger, Coordinator, Cuban Affairs, U.S. Department of State. And you may proceed when ready, Mr. Ranneberger and my understanding is you have a plane to catch too, so if you see those little lights in front of you and the red one goes on, try to terminate. Any printed statement will be a part of the permanent record.

STATEMENT OF MICHAEL RANNEBERGER, COORDINATOR, CUBAN AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. RANNEBERGER. OK. Mr. Chairman, Members of Congress, good afternoon and thank you for the opportunity to speak to you today on the subject of the U.S. economic and trade policy toward Cuba.

I would like to make brief remarks now and then submit this more comprehensive statement for the record and I look forward to your questions. I do have some time.

To begin with, I want to establish the context for our Cuba policy. In his statement of March 20, President Clinton said, and I quote, "The people of Cuba continue to live under a regime which deprives them of their freedom and denies them economic opportunity. The overarching goal of American policy must be to promote a peaceful transition to democracy on the island."

Today, in Cuba, there are 400 to 500 political prisoners. These are individuals imprisoned because of their beliefs and their efforts to express peaceful dissent. I think when we're talking about economic issues today, it's particularly appropriate to mention the case of Marta Beatrice Roke, who is a leading economist in Cuba and a founding member of the dissident working group. Once a respected economics professor at the University of Havana, Marta Beatrice Roke has been in prison for at least the last 9 months because she wrote an independent critique of government economic plans. She sought only to express her views of the Cuban economy. She is currently in prison and is gravely ill and has not been given adequate medical attention. I want to take this opportunity to reiterate in strongest terms our request that she be released.

As the President said, our goal in Cuba is to promote a peaceful transition to democracy and respect for human rights. We do this through four essential elements: Pressure on the Cuban Government through the Embargo and Libertad Act; development of a multilateral effort to promote democracy; support for the Cuban people, consistent with the 1992 Cuban Democracy Act and the Libertad Act; and measures to keep migration and safe legal and orderly channels. The President has also clearly stated that the United States would respond reciprocally if the Cuban Government implemented fundamental systemic change. But Cuba has not done so.

We recognize the importance of the historic visit of Pope John Paul II to Cuba. The Pope brought a message of truth, hope, and support for the Cuban people. His presence in Cuba was simply electrifying. I, myself, was also at the Mass in Revolution Square—I was there when Congressman Neal was there—and it was truly impressive to see at least half a million Cubans listening to, welcoming, and cheering the Pope's message, which was a forceful direct call for freedom and human rights.

The measures the President announced on March 20 are designed to support the Cuban people and to assist in the development of independent civil society. I want to emphasize, as the Secretary of State said in announcing those measures, "They do not reflect a change in policy toward the Cuban Government. That policy has been, and remains, to seek a peaceful transition to democracy."

Before turning specifically to the Cuba issue, let me touch briefly on U.S. sanctions policy. As Under Secretary Eizenstat has explained, economic sanctions can be, and are, a valuable tool for enforcing international norms and protecting our national interest. We should, however, resort to sanctions only after other appropriate diplomatic options have been aggressively pursued and have failed, or would be inadequate. Although in many instances engagement can be preferable to isolation, in the case of some world regimes, engagement would simply feed the regime's appetite for inappropriate and dangerous behavior.

For three decades the fundamental premise of our policy toward Cuba has been that the current Cuban Government will not institute political and economic change unless it has to and it will go only as far as it has to in order to maintain absolute control. Therefore, if we want to see fundamental change in Cuba, pressure is necessary.

The administration continues to believe that maintaining pressure on the Cuban Government for fundamental change through economic sanctions is essential. The increased penalties and clarifications in title I of the Libertad Act helped send the message that violations of the embargo will not be tolerated.

Since I'm running out of time, I won't comment more extensively on the Libertad Act at this time. But let me say that, as a result of the multilateral efforts that we have launched pursuant to the Libertad Act, we have had dramatic results in getting countries throughout the world to increase pressure on the Castro regime for change. The European Union has adopted the historic common position, and has established a human rights working group in Cuba.

I also want to add, and there's an extensive section here for the record, on our efforts to support the Cuban people. The President has taken a number of steps as early as October 1995 to expand people to people contacts. And our March 20 measures, Mr. Chairman, are intended to pursue that line. That is, to enhance support for the Cuban people so that they can build the kind of independent society that will be essential for a democratic transition.

We have also—let me just add in closing—committed to work with the Congress on bipartisan legislation to help increase support for the Cuban people, on a bipartisan basis.

[The prepared statement follows:]

Statement of Michael Ranneberger, Coordinator, Cuban Affairs, U.S. Department of State

INTRODUCTION

Mr. Chairman, Members of Congress. Good afternoon and thank you for the opportunity to speak to you today on the subject of U.S. economic and trade policy toward Cuba. I would like to make brief remarks and submit this more comprehensive statement for the record. I look forward to your questions.

U.S. CUBA POLICY

To begin, I want to establish the context for our Cuba policy. In his statement of March 20, President Clinton said:

> "The people of Cuba continue to live under a regime which deprives them of their freedom and denies them economic opportunity. The overarching goal of American policy must be to promote a peaceful transition to democracy on the island."

The Cuban government continues to be one of the most repressive regimes in the world. It does not listen to or respond to the voices of its people. There is no free press or political opposition, no private sector or independent civil society that can publicly discuss or criticize government policies.

Today in Cuba there are 400–500 political prisoners. These are individuals imprisoned because of their beliefs and their efforts to express them peacefully—actions that are legal and normal in our free societies. In this hearing on economic policy, I would like to draw your attention to one of these individuals, an economist, Marta Beatriz Roque, a founding member of the "Dissident Working Group."

Once a respected economics professor at the University of Havana, Marta Beatriz Roque is imprisoned because she wrote an independent critique of government economic plans. She sought only to express her views of the Cuban economy, pointing out serious problems with its central planing policies. Cuban authorities have denied her adequate medical care and she is seriously ill. We call on the Cuban government to release Marta Beatriz Roque, to ensure that she receives adequate medical care, and to allow her to carry out her peaceful activities.

As the President said, our goal in Cuba is to promote a peaceful transition to democracy and respect for human rights. We do this through four essential elements: pressure on the Cuban government through the embargo and the Libertad Act; development of a multilateral effort to promote democracy; support for the Cuban people consistent with the 1992 Cuban Democracy Act (CDA) and the Libertad Act; and measures to keep migration in safe, legal, and orderly channels. We also seek, through the Libertad Act, to protect the legitimate interests of U.S. citizens whose property has been expropriated in Cuba.

The President has also clearly stated that the United States would respond reciprocally if the Cuban government implemented fundamental, systemic change. Cuba has not done so.

PAPAL VISIT AND MARCH 20 MEASURES

We recognize the importance of the historic visit of Pope John Paul II to Cuba. The Pope brought a message of truth, hope and support for the Cuban people—his presence in Cuba was electrifying. I attended the Mass in Revolution Square and was deeply moved by the sight of at least half a million Cubans listening to, welcoming, and cheering the Pope's forceful, direct call for freedom and human rights.

During those moments the people of Cuba held the attention of all of us who care about their struggle for freedom and justice. We must continue to support them in their aspirations.

The measure the President announced March 20 are designed to support the Cuban people and to assist in the development of independent civil society. I want to emphasize, as the Secretary said, that the measures "do not reflect a change in policy toward the Cuban government. That policy has been, and remains, to seek a peaceful transition to democracy." I will discuss the March 20 measures in greater detail later.

U.S. Sanctions Policy

Before turning specifically to Cuban issues, let me touch briefly on U.S. sanctions policy. Under Secretary Stuart Eizenstat testified on this subject before your subcommittee in October. I will not attempt to review all of Under Secretary Eizenstat's excellent statement, but I want to highlight a few of the points he made that apply especially to Cuba.

As Under Secretary Eizenstat explained, economic sanctions can be and are a valuable tool for enforcing international norms and protecting our national interests. We should, however, resort to sanctions only after other appropriate diplomatic options have been aggressively pursued and have failed, or would be inadequate. Although, in many instances, engagement can be preferable to isolation, in the case of some rogue regimes, engagement would simply feed the regime's appetite for inappropriate or dangerous behavior.

As Under Secretary Eizenstat said, while there are advantages to multilateral sanctions, there are times when important national interests or core values are at issue that we must be prepared to act unilaterally. There can be no "one-size fits all" approach. The President must have the flexibility to tailor our response to specific situations.

Sanctions are used for a variety of purposes, including:

—to punish a country for unacceptable behavior;

—to influence the behavior of a target country;

—to signal disapproval of a government's behavior;

—as a necessary early reaction and as a warning that harsher measures could follow;

—to limit a target state's freedom of action;

—to deny resources or technology;

—to increase the cost of engaging in unacceptable behavior;

—to draw international attention to unacceptable behavior;

—to challenge our allies to take more forceful action themselves in support of common objectives;

—or at times, simply to signal that a business-as-usual approach to a government that violates core values is not acceptable.

As U/S Eizenstat noted, our Cuba policy is illustrative of one of the principal goals of economic sanctions—to encourage our friends and allies to adopt policies that can advance our common interests. Our allies and major trading partners disagree with our embargo of Cuba and have urged us to change or alter the provisions of the Libertad Act.

At the same time, our allies have said they agree with us on the key goal of encouraging democracy and human rights in Cuba. Even when supporting Cuba's resolution at the UN General Assembly against the U.S. embargo of Cuba, the EU made clear its opposition to Cuba's human rights policies. In explaining the vote of EU member in favor of Cuba's resolution, Luxembourg, in its role of President of the European Union, issued a strong condemnation of Cuba's human rights record, noting concern about the "persistent absence of progress towards democracy," "non-respect for political rights," "increasing violations of civil and political rights," and "harassment of those who seek to bring democracy to Cuba by peaceful means."

The Embargo and The Cuban Economy

For three decades, a fundamental premise of our policy toward Cuba has been that the current Cuban government will not institute political and economic change unless it has to, and it will go only as far as it has to in order to maintain absolute control. Therefore, if we want to see fundamental change in Cuba occur, pressure is necessary.

The U. S. policy of applying economic pressure originated soon after Fidel Castro came to power in 1959. The embargo formally began under President Kennedy, and has been supported by all successive Presidents.

One of the major reasons for the imposition of the embargo was the Cuban government's failure to compensate thousands of U.S. companies and individuals whose properties, large and small, were confiscated after the revolution. The Cuban government specifically targeted and took properties owned by U.S. nationals. Under the Cuba claims program in the 1960's, the U.S. Foreign Claims Settlement Commission (FCSC) certified 5911 valid claims by U.S. nationals against the Government of Cuba. The Castro government also took property from thousands of Cubans, some of whom have since become U.S. citizens.

The impact of the embargo was somewhat offset during the Cold War years by $5–6 billion annually in Soviet subsidies, but these ended with the collapse of the Soviet Union and other European Communist regimes in the early 1990's. Cuba suffered a 35% decline in Gross Domestic Product between 1989 and 1993, revealing an inherently dysfunctional economy. Food shortages and failure of basic public services led to disturbances which threatened to challenge the regime.

These problems, coupled with the continuing embargo, forced the Cuban government to undertake very limited economic reforms to enable it to survive. The Cuban government in the mid-1990's permitted Cubans to offer certain services privately under strict government scrutiny, but in 1997 introduced heavy taxes which forced many out of business. It appears that employment in this sector peaked in 1996 at around 206,000 and fell in 1997 to about 170,000. In 1994, the government introduced agricultural markets at which state and private farmers could sell surplus products at market prices after delivering the required quota to the state, which helped to alleviate grave food shortages and nutritional problems.

Cuba has actively sought foreign tourism and investment, while continuing to forbid private investment by Cuban citizens. It succeeded in attracting a limited amount of investment, but its overall "investment climate" remains hostile to private enterprise.

In 1993, the Cuban government made it legal for its citizens to possess and use the U.S. dollar, which has become the major currency. Cuban failure to launch serious economic reforms has led to the development of a large black market and growing corruption. Those with access to dollars can purchase imported goods at government-run dollar stores. To earn dollar tips, many skilled doctors, teachers, engineers, and scientists are working in restaurants or as taxi drivers.

Nevertheless, under the slogan "socialism or death," the Cuban government has resisted any credible effort to adopt market-based policies and continues to tight state control of its highly centralized economy. Over eighty percent of the labor force is employed by the state.

THE EMBARGO AND THE LIBERTAD ACT

Seeking to hasten a democratic transition in Cuba, Congress passed in 1992 the Cuban Democracy Act (CDA), which tightened the embargo by prohibiting U.S.-owned or controlled subsidiaries located abroad from doing business with Cuba. The Act also provided for avenues to support the Cuban people, which, as I noted above, constitute a principal focus of our policy.

As change continued in Eastern Europe in the 1990's, but not in Cuba, concerned Members of Congress sought to develop ways to both deal with the continuing expropriation problem and apply additional pressure for peaceful change on the Cuban government. This led to the development of the "Cuban Liberty and Democratic Solidarity Act," called the "Libertad Act," and known as the Helms-Burton Act after its principal sponsors. When in February 1996 Cuban MiGs shot down two civilian aircraft in international air space, killing three U.S. citizens and one resident, Congress passed this act by overwhelming margins. The President signed it into law on March 12, 1996.

Title I of the Libertad Act, for the first time, codified the embargo. The Act specifies conditions under which the embargo can be lifted or suspended once a new Cuban government begins implementing a genuine transition to democracy. The Administration believes that until Cuba is engaged in a process of democratization, which includes free and fair elections, respect for human rights and due process of law, just to mention a few elements, the embargo should be maintained.

Title I of the Act also strengthens enforcement of the embargo by expanding the civil enforcement authority available to the Office of Foreign Assets Control (OFAC) of the Department of the Treasury, which is charged with enforcing the restrictions on financial transactions with Cuba. The State Department strongly supports the embargo enforcement efforts of OFAC, the Department of Commerce, and the U.S. Customs Service.

The Administration continues to believe that maintaining pressure on the Cuban government for fundamental change through economic sanctions is essential. The

increased penalties and clarifications in Title I of the Libertad Act help send the message that violations of the embargo will not be tolerated.

Equally important, we work closely with OFAC and the Department of Commerce on license requests for humanitarian assistance, as encouraged by the Cuban Democracy Act and the Libertad Act.

HELMS-BURTON AND THE MULTILATERAL INITIATIVE

Perhaps the best known and most controversial aspects of the Libertad Act are Titles III, which created a private cause of action in U.S. courts, and Title IV, which prohibits visas and entry in to the United States to those who "traffic" in confiscated property claimed by a U.S. national. These provisions prompted the European Union to initiate a complaint against the U.S. in the World Trade Organization (WTO). Canada and Mexico called for consultations under the provisions of NAFTA.

The President allowed the Title III lawsuit provisions to enter into force on August 1, 1996. At the same time, because of the intense interest in the Act among our allies and trading partners, he saw an opportunity to increase international pressure for change through a U.S.-led multilateral initiative to promote democracy in Cuba. In order to achieve this, the President in July 1996 suspended the right to file suit under Title III for six months, effective August 1, while calling on our friends and allies to step up efforts to promote a transition to democracy in Cuba. This initiative has changed the terms of the international debate about Cuba.

We have been able to manage this serious disagreement with close friends and trading partners and advance the President's multilateral initiative to promote democracy in Cuba. Under Secretary Eizenstat reached an "Understanding" with the EU in April 1997 under which the EU agreed to suspend its WTO case and step up its efforts to promote democracy in Cuba. The parties also agreed to negotiate disciplines on property confiscated in contravention of international law, including property in Cuba, and principles on conflicting jurisdictions. These discussions are in a crucial phase and, if an agreement is reached, the administration will discuss with Congress the possibility of obtaining authority to waive Title IV of the Act.

The multilateral initiative to promote democracy has resulted in several important steps to promote democracy in Cuba. Perhaps the most important of these is the European Union's Common Position, which links improved relations with Cuba to fundamental democratic changes. The EU nations also created a Human Rights Working Group among their embassies in Havana to increase contact with dissidents, human rights groups, and independent elements of civil society. They have forcefully called for the Cuban government to release political prisoners. In addition, Under Secretary Eizenstat's visit to four Central American countries last year energized their efforts to promote change in Cuba; leaders of these nations have spoken out. At the United Nations General Assembly in December 1997, more countries than ever before co-sponsored the U.S. resolution on the human rights situation in Cuba. The Cuba resolution at the UN Human Rights Commission in Geneva this year had 27 cosponsors, including many key EU allies, although—tragically—it did not pass. The Department issued a statement expressing its concern that some members of the commission chose to turn their backs on the suffering of the Cuban people. We believe it is unconscionable that the vote will end the mandate of the UN Special Rapporteur in Cuba.

Nongovernmental organizations (NGOs) are increasing their support for peaceful, democratic change on the island. Pax Christi, the Dutch human rights organization, is leading a coalition of European NGO's to focus on the deplorable human rights situation in Cuba, and has held two major conferences. In August 1997, Amnesty International issued a special 38-page report entitled "Cuba: Renewed Crackdown on Peaceful Government Critics," which documented the Cuban government's campaign against those who work for human rights and democracy. In August 1997, the American Bar Association awarded its annual "International Human Rights Award" to Dr. Rene Gomez Manzano and Dr. Leonel Morejon Almagro, two members of the Dissident Working Group in Cuba who were unable to receive the award because they had been arrested by the Cuban government.

As a result of these efforts—the rhetoric of the Cuban regime notwithstanding—Cuba is hearing a concerted message on the need for fundamental, democratic, systemic change.

TITLE IV ENFORCEMENT

Through a special unit established in the Office of Cuban Affairs, the Department continues to implement Title IV of the Libertad Act based on facts and the terms of the law.

—Determinations have been made involving three companies: Sherritt International of Canada, Grupo Domos of Mexico, and BM Group, an Israeli-owned firm registered in Panama, and over 15 executives and their family members have been excluded from entry into the U.S. Because Grupo Domos has presented evidence that it is no longer involved with U.S.-claimed property in Cuba, the company's executives are once again eligible to enter the U.S.

—Implementation efforts have had a significant negative impact on the Cuban economy. Since enactment of the Act, nineteen firms from over ten countries have changed their plans for investment in Cuba or have pulled out of investments there. There are many indications that the investment environment in Cuba is unstable and risky. Interest rates for projects in Cuba have been driven to as high as 22%. The Cuban government is finding it more difficult to obtain financing, and potential investors face the same problem.

—As part of our investigative effort, we have contacted an additional twelve companies from seven countries about their activities in Cuba. Companies may provide additional information to demonstrate that their activities are not covered under the Act, or they can explain their plans to discontinue activity in Cuba in order to avoid Title IV action. Among companies contacted for additional information, as the press has reported, have been three firms involved with petroleum exploration. As a result, one has already ceased its operations in Cuba.

In addition to seeking information from claimants about their claims, we are making maximum use of the limited amount of information available from all sources on foreign investment in Cuba. The Cuban government claims there are over 300 joint ventures with foreign firms, without regard to whether they are involved with U.S.-claimed property. We believe this number is inflated, but we are developing a database to track activities of joint ventures and gather information on the location of property subject to certified claims. Gathering reliable information is a difficult and time-consuming process.

Other Aspects of Economic Policy Toward Cuba

Before I describe in more detail our efforts to provide humanitarian assistance to the Cuban people, I want also to touch on other aspects of economic policy, some of which are also contained in the Libertad Act. The United States opposes reintegration of the current Cuban government into international financial institutions and regional economic groupings. We are urging the European Union, for example, to apply to Cuba the human rights and democracy standards of the Lome Convention, under which the EU provides economic benefits to developing nations, as it considers Cuba's application to join the Lome Convention.

The U.S. discourages companies from other countries from investing in Cuba. Under the current regime in Cuba, such investment tends to increase the power and control of the Cuban government rather than benefit the people.

We recognize, however, that some companies from other countries are investing in Cuba. As part of the multilateral initiative to promote democracy in Cuba, Under Secretary Eizenstat is leading an effort to press businesses in Cuba not involved with contacted property to recognize and promote "best business practices." These are fundamental rights taken for granted in the Western world that the Cuban government does not acknowledge, such as free speech and association; the right to join an independent labor union; and even the right to hire and pay an employee directly without intervention from the State. The Trans Atlantic Business Dialogue, the North American Committee of the National Policy Association, and the Dutch human rights organization, Pax Christi, have all endorsed this concept and are encouraging companies operating in Cuba to implement best business practices.

Support for the Cuban People

A fundamental aspect of U.S. policy toward Cuba is to provide support for the Cuban people, without supporting the Cuban government. This focus has been a key element of our policy for most of this decade beginning with the Cuban Democracy Act of 1992. These efforts were strengthened by President Clinton's initiatives in October 1995 to encourage human rights organizations and other non-governmental groups and individuals in the U.S. to develop contacts on the island. Those steps complemented earlier efforts to improve telecommunications service between the U.S. and Cuba, and to encourage private humanitarian donations to NGOs in Cuba. The 1995 initiatives included licensing U.S. NGOs to assist independent Cuban NGOs; allowing sales and donations of communications equipment to Cuban NGOs; authorizing establishment of news bureaus; increasing academic, cultural, and educational exchanges; and allowing under a general Treasury license once-a-year family visits to Cuba in cases of humanitarian emergencies.

Since the October 1995 measures were announced, the Administration has licensed dozens of trips, programs and other activities by NGOs and institutions in the U.S. aimed at strengthening independent civil society. Several U.S. NGOs have begun sharing expertise and modest resources with Cuban partners, American students and teachers are meeting with their peers, and U.S. professionals and researchers are establishing contacts and cooperation with colleagues on the island.

To foster the development of independent civil society in Cuba through support for the Cuban people, the Department works through a program administered by the U.S. Agency for International Development (USAID), pursuant to Section 109 of the Libertad Act. With valuable input from many agencies and the Congress, since it began in the fall of 1995, $2.45 million has been approved for U.S. NGOs under this program. Of that, $2 million has been approved in the last 12 months. An additional $1.8 million in new project proposals is under review.

These projects are wide-ranging, promoting the free flow of information to, from, and within Cuba. Among other activities, they will enable independent community grassroots organizers, professional organizations, and the private agricultural sector to meet their counterparts in Latin America, the Caribbean and the U.S.; facilitate contact between Cuban environmentalists and environmental NGO's in other countries; and promote best business practices for foreign investors not involved in confiscated property to follow inside Cuba in order to promote workers' rights.

The Department takes very seriously its responsibility to assist in the provision of humanitarian assistance to the Cuban people. We work closely with the Department of the Treasury's Office of Foreign Assets Control (OFAC) and with the Department of Commerce to ensure appropriate licenses are issued. Since the passage of the Cuban Democracy Act (CDA) in 1992, OFAC and the Department of Commerce have issued 50 licenses for exports of medicines and medical equipment from U.S. companies or US-owned subsidiaries, subject to appropriate end-use monitoring. These licenses include 12 authorizations for travel to Cuba by representatives of American pharmaceutical companies to explore possible sales. Since the passage of the CDA in 1992 over $2 billion in humanitarian donations has been licensed, including nearly $275 million for medicines and medical equipment, and $13 million in food. The United States is the largest donor of humanitarian assistance to Cuba.

MARCH 20 MEASURES

Pope John Paul spoke eloquently on the need to respect human rights and fundamental freedoms, to release prisoners of conscience, and to allow the development of independent civil society. When Secretary of State Albright met with the Pontiff in Rome, she discussed prospects for change in Cuba. The Pope was optimistic, speaking of the crowds who attended masses throughout the island, culminating in the huge mass in Revolution Square in Havana. John Paul II has publicly made clear his hope that his visit will propel Cuba toward a process of fundamental change, just as his first visit to Poland did.

This historic visit left us with a challenge—how to sustain the religious opening created by the Pope's visit, how to increase support for the Cuban people, and how to encourage a process of fundamental change without providing resources which will prop up Castro's regime. We believe the measures announced March 20 will do that.

The new measures are a strong response to the Pope's visit, and enhance support for the Cuban people in their aspiration for a peaceful democratic transition.

As the Secretary of State said on March 20, we are taking these steps "to empower Cuban citizens .... (and) not because of anything the Castro regime has done..." In announcing his decision on March 20, President Clinton said: "To build further on the impact of the Pope's visit, to support the role of the Church and other elements of civil society in Cuba, and to thereby help prepare the Cuban people for a democratic transition, I have decided to take the following steps:"

1. First, the resumption of licensing direct humanitarian charter flights to Cuba. Direct humanitarian flights under applicable agency regulations will make it easier for Cuban-Americans to visit family on the island, and for humanitarian organizations to provide needed assistance more expeditiously and at lower cost.

2. Second, establishing new licensing arrangements to permit Cuban Americans and Cuban families living here in the United States to send humanitarian remittances to their families in Cuba at the level of $300 per quarter, as was permitted until August 1994. This will enable Cuban-Americans to provide direct support to close relatives in Cuba, while moving the current large flow of remittances back into legal, orderly channels.

3. Third, streamlining and expediting the issuance of licenses for the sale of medicines and medical supplies and equipment to Cuba. Based on experience of the past

several years, including during the Papal visit, we believe that the end-use verification called for in the Cuban Democracy Act can be met through simplified arrangements.

The Departments of the Treasury, Commerce, and State are developing and will announce the new arrangements in these areas in the coming weeks.

As you can see from my review of these measures, we have not altered the fundamentals of U.S. policy toward Cuba. The measures are being taken using Treasury and Commerce licensing authorities and are fully consistent with the Cuban Democracy Act of 1992 and the Libertad Act of 1996.

WHAT'S NEXT?

What does the future hold for U.S. economic policy toward Cuba? The Castro regime is under more international pressure than ever before to respect human rights and implement democratic change, in part because of our multilateral initiative. We plan to keep up that pressure on the Cuban government.

In January 1997 the President submitted to Congress and released publicly a major report entitled "Support for a Democratic Transition in Cuba," as mandated by Title II of the Libertad Act. To develop the plan, an inter-agency team drew on lessons learned from assistance programs to Latin American countries and the former Communist countries of Eastern Europe.

The transition plan describes the many issues that will confront a democratic transition government in Cuba, and how the United States and other nations will be able to assist. The report indicates that a democratic transition government can expect to receive $4–$6 billion in private assistance, loans, and grants from international financial institutions and other donors over a six year period following the establishment of a transition government. The report is an incentive to all those in Cuba who favor a democratic transition.

We have translated the report into Spanish, and over 10,000 copies have been distributed in Cuba. Radio Marti has described the plan to the Cuban people. The extent to which the Cuban government fears the impact of this message was evident from the vitriolic propaganda offensive the Cuban government launched against it. Castro required military officers to sign loyalty oaths specifically denouncing the transition report.

As we implement our Cuba policy, we must find creative ways to increase support for the Cuban people while maintaining pressure on the Cuban government for fundamental, systemic change. We should strive to do that on the bipartisan basis that has characterized our Cuba policy for decades. In that way, we will maintain international leadership on this issue. And we will send a strong, effective message to the Cuban government, the Cuban people, and the world. Thank you.

Chairman CRANE. Mr. Ranneberger, how can U.S. policy ensure that humanitarian assistance provided to the Cuban people reaches them, and is not intercepted by Castro to sell for his own profit or made available only to Communist Party elites and foreign visitors.

Mr. RANNEBERGER. That is a key issue, Congressman, and what has been happening, as I think was mentioned here, there has been over $2 billion in humanitarian assistance licensed since 1992. And what happens is that assistance is sent to Cuba by U.S. nongovernmental groups. Most of those groups then go to Cuba at different times to monitor how that aid is used. That's particularly true of the church groups, so it's the World Council of Churches or Catholic Relief Services, as well as other nongovernmental groups. And of course, international agencies do that as well. So there is, in fact, I think, a good record regarding how that is used and we need to have that continuing kind of scrutiny.

Chairman CRANE. Do you believe that the opposition of our trading partners and allies to the Helms-Burton legislation has interfered with our ability to call for an international consensus on dealing with other rogue regimes, like Iraq?

Mr. RANNEBERGER. Well, clearly, I think, the allies are upset with our sanctions policy worldwide. And I think this is a real important point to bear in mind. The allies are not, in my judgment, primarily upset with the Helms-Burton legislation. There is—keep in mind that the U.S. Government at this moment maintains over 60 sanctioned regimes throughout the world. So, the use of sanctions is quite pervasive as an element of policy.

I think that's what you see U.S. allies—whether in Europe or Latin America—concerned about. So that, yes, use of sanctions does affect our ability to work with them.

What we have tried to do in the Cuba case, is to develop a multilateral effort and to negotiate our differences with the allies. And we've actually had some success on that. I think you may be aware that Under Secretary Eizenstat has been in close discussions with the European Union to try to reach an agreement by which we would set aside our differences on title IV of the Libertad Act. At the same time, the President, of course, has suspended the title III provisions and has told the allies if they do work to step up pressure on the Castro regime for change, we will continue to suspend that. And we have seen a number of steps. So, I would say that we've used the Libertad Act, I would say, creatively and effectively to try to actually get increased cooperation with the allies. But, resolving these differences over title IV is crucial to that.

Chairman CRANE. Thank you.

Mr. Rangel.

Mr. RANGEL. The present administration should be congratulated for relaxing some of the rules as relates to travel and allowing Cuban-Americans to send moneys back to Cuba. Has this caused any adverse affect at all in our foreign policy—the President's actions?

Mr. RANNEBERGER. No. It has not. I think it's been welcomed by the rest of the world community.

Mr. RANGEL. Are there any other positive steps toward normalization that we should know about?

Mr. RANNEBERGER. No, there are not, Congressman. I do want to clarify here, with all due respect, this is not a step toward normalization and I really want to emphasize that point in the strongest terms, because——

Mr. RANGEL. Does the administration oppose normalization?

Mr. RANNEBERGER. We don't oppose normalization if it's done under the right conditions, and that is, that there is democratic change underway in Cuba.

Mr. RANGEL. The goal is normalization.

Mr. RANNEBERGER. The ultimate goal of our relationship is normalization with a democratic Cuba, yes sir.

Mr. RANGEL. And sending money there and allowing people to travel there to visit their loved ones is not interfering with the goal of normalization?

Mr. RANNEBERGER. No, and in fact, I think it supports it by giving the Cuban people a degree of freedom from the Cuban Government. It helps them to have greater options, how they're going to approach those items, and that sort of thing, and that's why we've done it.

Mr. RANGEL. So that if we were to have direct flights and to make it easier for people to visit and perhaps to have students—to be able to have student exchange and artists to go over—those things would not adversely affect our overall goal of normalization, would it?

Mr. RANNEBERGER. Of course, everything depends—it's very hard to respond to a general statement—everything depends on how something is done. But let me point out that, right now, we have an extensive exchange program with the Cuban people. Last year alone, I think we issued over 1,200 visas to Cuban scientists, artists, doctors, cultural figures, and the like. I'd have to get the exact figure. So that is an ongoing process and I would agree with you that that supports what we're trying to do, which is encourage independence in Cuban society, encourage people to think independently, and therefore lay the groundwork for a democratic transition.

Mr. RANGEL. So if we had legislation as we do pending that would allow food and medicine and medical equipment to be exempted from the embargo, that would not impede our long-range goal toward normalization, would it?

Mr. RANNEBERGER. Well, that's—I really would prefer today not to get into the specific legislation, but as you know, I think, there are four bills either on the floor or in the process—there's going to be—on Cuba issues. I think we'll need to look closely at the content of those and the President has said that he wants to work with the Congress on bipartisan legislation. So, we are going to be looking at that. I'd prefer not to comment on a specific detail until we start to engage with the Congress, which will be soon, on that issue.

Mr. RANGEL. Could you share what progress has been made with our European friends as relates to relaxing the Helms-Burton law?

Mr. RANNEBERGER. I can to a degree, Congressman. Those negotiations are in what we hope will be their final stages right now. I don't—there's no deadline to finish that—but they're certainly moving along. And we have had a good deal of progress. I wouldn't want to say that we're going to reach an agreement. There's still some difficult outstanding issues. But what we've done basically is to get close to a framework in which there will be international investment disciplines which would significantly deter foreign companies from investing anywhere in the world, not just Cuba. This won't be Cuba specific, but it will apply in a big way to Cuba, in confiscated property. And we're close to putting that kind of framework together. What you would have is, you would have penalties in effect, for companies who did invest in confiscated property.

Mr. RANGEL. As a diplomat, would you describe this policy that we've had with Cuba for the last 35 years as a successful foreign policy?

Mr. RANNEBERGER. Well, I think it's been a policy that has had significant impact on Cuba. If you define success as a democratic Cuba, of course, I have to say it has not been successful. I guess when I'm often asked that question, and I am, of course, I tend to say well what is the alternative. And this is an argument—you're not making it—but others have said the sort of overall engagement with the Cuban Government is the way to do—you sort of embrace them—love them to death, so to speak.

My response to that is that that's been going on now for 3½ decades by most of the world. I mean, you've had many world leaders who have been down there. They've spent 8, 10, 12, 14 hours talking to Castro. It has not resulted in an iota of change in that political system. So, I think our policy has as much chance of success as an engagement policy and I would point out that our policy has only really had a biting impact since the Soviet subsidies have ended. That is a very important point.

Mr. RANGEL. And you see a major difference between how we deal with Communist Cuba and how we deal with Communist China and Communist North Vietnam and Communist North Korea? Do you think there's a dramatic difference in how we do these things, as a diplomat?

Mr. RANNEBERGER. There are certainly tactical differences in the way we approach it. We do have, and I think the President has been very clearly on record, we do have the same goals in each case. Our goals are to advance democracy and human rights, they're to promote U.S. interest in terms of business and commercially, and also the U.S. national security interest.

My response to that is frankly, that we use different tactics appropriate to a given situation. And I think it's very clear that a unilateral embargo would have zero impact on China, which is thousands of miles away. A unilateral embargo on Cuba, I think clearly, demonstratively, does have an impact, as an element of pressure. So I think there are reasons for the differences.

Mr. RANGEL. But if our President decided that he wanted to change the policy in Cuba, you would have no problem in adjusting to that, would you?

Mr. RANNEBERGER. I'm a professional diplomat. Obviously, I would——

Mr. RANGEL. Thank you.

Mr. RANNEBERGER [continuing]. Defend whatever policy. [Laughter.]

Chairman CRANE. Mr. Neal.

Mr. NEAL. Nice to see you again. That was skillfully stated. Mr. Ranneberger, what comes first, religious reforms, economic reforms, or political reforms?

Mr. RANNEBERGER. I wouldn't want to—a lot of people who look at changes in regimes say that economic reforms come first, and then political reforms follow. I think there are lots of reasons to question that logic. It hasn't happened yet in China. It certainly hasn't happened in Vietnam. It hasn't happened in a lot of other places.

I think that you sort of can't accept that argument. I would say that if there are going to be economic reforms, they should live in tandem with political reforms. So, I don't think in all honesty that you can say one has to come first, as opposed to another. If there were real economic reforms in Cuba, and there haven't been, but if there were real economic reforms in Cuba, and if they precipitated some degree of political change, obviously that would be positive.

We think that the religious opening is a positive development, but it has not led to any degree of political opening. In fact, since the Pope's visit to Cuba, there have been, and I saw some figures

thrown out today, we can certainly confirm that there have been at least 20 arrests, and of course there are many that we don't know about. And again, certainly the vast majority of the dissidents remain in jail. So we haven't seen it lead to a political opening. We want to support the religious opening and space that that might give to civil society and that's why the President has taken these steps that he has.

Mr. NEAL. Are you satisfied that the religious opening that has occurred, that Castro's lived up to his part of the bargain?

Mr. RANNEBERGER. We, of course, don't want to get into the middle of any discussions between the Catholic Church and the Cuban Government. Looking at it objectively as an outsider, I think it's been a mixed bag frankly. The Cuban Government had committed to give the church access to the media. They have given the church permission to have open air religious activity. They told the church that it would be allowed to expand publications and such. And not all of that has happened. There have been some open air Masses and such, but it's been a very limited thing.

So, I think it's still in the early stages. I think it's too early to say that the Castro government has lived up completely to its end of the bargain or hasn't. I think it has lived up to some parts of it. I think it's early and I think hopefully we will see an evolution of this.

Mr. NEAL. Thank you. Thank you, Mr. Chairman.

Chairman CRANE. Mr. Becerra.

Mr. BECERRA. Thank you, Mr. Chairman. And by the way, thank you, Mr. Chairman, for allowing me to sit in on this Subcommittee hearing, since I'm not a Member of the Subcommittee itself.

Let me see if I can focus on a couple of quick questions, Mr. Ranneberger. I'd like to ask you a little bit about what DOD just released recently on the potential threat of Cuba, militarily or to our security interest, and also see if I can get you to comment a bit on the recent changes that were proposed by the administration with regard to liberalizing some of its dealings with the Cuban Government.

First, if you could give me some sense as to how you or the Department of State is interpreting the Department of Defense report with regard to Cuba as a threat.

Mr. RANNEBERGER. Sure. The Department of Defense in releasing the report yesterday has made clear that this was an intelligence assessment. So, I'm not going to comment, of course, in detail on intelligence information or methods. I would like to quote though, I think, in answering your question, Congressman.

It would be appropriate to quote from the letter that Secretary Cohen has sent to Chairman Thurman, in which he states, "While the assessment notes that the direct conventional threat by the Cuban military has decreased, I remain concerned about the use of Cuba as a base for intelligence activities directed against the United States, the potential threat that Cuba may pose to neighboring islands, Castro's continuing dictatorship that represses the Cuban people's desire for political and economic freedom, and the potential instability that could accompany the end of his regime." And then he goes on to cite some other areas.

So, my point there being, Congressman, that we—to say that Cuba is not a conventional military threat, which it clearly isn't in today's world—you wouldn't want to ignore or set aside all the other related security issues.

Mr. BECERRA. So, the Department of Defense is saying and you're agreeing with what they're saying with regard to the issue of conventional threat, that Cuba, at least at this stage is not a conventional weapons threat or an adversary with regard to conventional weapons that we must worry about for our own national security safety.

Mr. RANNEBERGER. With respect to a conventional threat directed at the United States, that's true, with the caveat—just because I want to make it, it's important—that of course, it depends—well a lot of it depends—and I learned a lot in reviewing this report on terminology—but certainly I wouldn't want to set aside the fact that the government shot down the aircraft and that kind of ability——

Mr. BECERRA. Right. I want to get into that, but I want to make sure—in terms of a conventional threat, a country that could be hostile toward us and menace us, we no longer hold that position as we at one point did when we thought that there was a chance that they could cause us real problems with the Soviet Union, having bases and missiles, and so forth. But there are threats, and those I think Secretary Cohen does identify. And I know some of them have to do with transshipment of drugs, also the intelligence factor.

How do we best approach those types of threats that have been identified by the Department of Defense? How do we best undermine the opportunities for Cuba or any elements in Cuba to threaten our security, whether through intelligence gathering or through drugs transshipment?

Mr. RANNEBERGER. I think that you have to do that in several ways. First of all, obviously a change in the nature of the regime itself would affect that threat. So, there's an overall goal of trying to get democratic change.

Mr. BECERRA. Fine. Let me make sure I understand something. So you're implying that the reason there is an intelligence threat and a drug transshipment threat is because of the government in place?

Mr. RANNEBERGER. I think that contributes to the nature of the threat, absolutely.

Mr. BECERRA. Would you say that if Mr. Castro were removed that the problem of drug transshipments would be gone?

Mr. RANNEBERGER. Well, I don't think it comes down—and so often we tend to talk about Castro—I always like to say, it's not simply an issue of one man, it's an issue of the system. So, I would say if there's a system change, that could—that would—I think, likely diminish the nature of a threat, if it were a democratic change.

Mr. BECERRA. If we had a greater presence in Cuba, whether it was through more commercial enterprise or perhaps more direct engagement government to government, would it be easier for us to try to diminish those intelligence or drug transshipment threats?

Mr. RANNEBERGER. I'm not at all sure that it would be. As you know, we have a fairly sizable presence. I always point out that our interest section is, in fact, the largest diplomatic mission in Cuba. But, I think it comes down to the nature of the relationship, and I think, I guess, what perhaps you're getting at—or certainly—what I would say is, if you—obviously, if you could normalize the relationship completely, that might be helpful. But we don't want to normalize a relationship with the regime that is undemocratic and repressive to its own people. Absent a full normalization like that, which we don't want to undertake with this type of regime, there are some things you can do.

We have the migration accords, and we do have law enforcement cooperation on a case-by-case basis. I mean, there have been narcotic shipments intercepted. Last year, they intercepted 6.5 tons of cocaine with our assistance, and so there was prosecution here. So we are doing something to combat some of these threats.

Mr. BECERRA. Mr. Chairman, if I may ask one last question. In Guatemala, we recently learned that an archbishop was assassinated in a very brutal way and many have indicated that there might be ties to previous death squads and perhaps there might be some link to the government or those elements either in government or related to government. We also know that in other countries, whether Latin America or abroad, we've seen real troubles with government protecting the basic rights, civil rights, human rights, of some of its own peoples. We continue to maintain full normalized relations with some of those governments—some of those that are beginning or trying to establish democracy.

If we continue to see problems persisting in some of those so-called democratic countries, should we maintain full relations or should we go somewhere toward the relationship that we have right now with Cuba, where we break relations to try to encourage further democratization?

Mr. RANNEBERGER. Again, I think it depends on each situation. I would point out that when I was Deputy Director of Central American Affairs between 1992 and 1994, we had exactly such a case, where the then-President Serrano of Guatemala, initiated an auto coup, which sort of basically ended the democratic system. There was a 2-week period in which we basically got things back on track. But, we threatened them with severe bilateral repercussions. There were steps taken against Guatemala at that time and they were threatened with suspension from the OAS if democracy hadn't been restored. And so, that pressure got the democratic system reinstituted in Guatemala.

In Paraguay, where the democratic system—there had been some problems that you're aware of—we've made very clear that we expect that system to continue. It must continue in order for them to be a fully normal relationship. So I think we've made these criteria fairly universal in our relations with the Latin countries.

Mr. BECERRA. Can you give any—and the final question I'll ask, Mr. Chairman—you said a case-by-case analysis. Can you think of any country where you would apply a more rigorous standard where we might drop full relations or normalize relations with a country?

Mr. RANNEBERGER. No, I can't. I mean, I think that with Latin America right now, we are dealing with countries where there is a basic democratic system in place. There are imperfections. I mean, there are imperfections everywhere. And clearly, one of the focuses of the Summit of the Americas, as you know from following it, is the whole issue of institutionalizing democracy and working to strengthen democratic institutions. That's a major focus.

And in fact, it's because of that, that we're particularly concerned about the situation in Cuba, because it runs counter to the whole trend in the hemisphere. If one saw political change, democratic change on the way in Cuba, I think that would change the nature of the discussion. But the fact is that we're just not seeing that.

Chairman CRANE. Mr. Jefferson.

Mr. JEFFERSON. Thank you, Mr. Chairman. Let me ask you, does our economic embargo have any affect for good or for ill on our other U.S. trading partners in the Western hemisphere, particularly on Mexico or maybe even with Canada?

Mr. RANNEBERGER. I don't think it has any sort of economic impact in terms of their earnings or ability to deal with Cuba. Again, any country can sell or trade with Cuba. Where the Libertad Act does have an impact on Canada, Mexico, and others, is if they are investing in Cuba. And there, of course, it's only if they are investing in confiscated property. The Libertad Act doesn't say you can't invest in Cuba; it says you can't invest in confiscated U.S. property. And there have been cases where we've taken action against Mexican and Canadian companies for investing in confiscated property.

Mr. JEFFERSON. Tell me, what properties have been covered by these actions?

Mr. RANNEBERGER. I'm sorry, Congressman?

Mr. JEFFERSON. What properties have been involved in these actions?

Mr. RANNEBERGER. What properties? In the case of Mexico, it was group called Grupo Domos, and they were investing in a cement plant, which had been owned by Lonestar—not by Lonestar, but by Lonestar, in fact, in Cuba, which is a U.S. company based, I believe, in Texas. We took action against Grupo Domos. They subsequently pulled out of the plant. They're no longer involved in that and we've given their visas back; right to travel to the United States.

In the case of Canada, it's Sherritt, which is using the Moa Bay Mining Co., which is a nickel mining facility, which was owned by the Moa Bay Mining Co., which was a U.S. company. And we've found a number of Sherritt executives excludable from the United States and prohibited them from coming into the United States.

Mr. JEFFERSON. Haven't we had some recent problem with a pharmaceutical company that's doing business in South Africa that has chosen to do business also with Cuba—some triangle issue like that, that you're aware of?

Mr. RANNEBERGER. Yes, there is an issue. What happened is there was a U.S. company which had purchased the majority interest in a South African company. It turned out that that South African company had certain contracts in process with a Cuban entity. And of course the U.S. company was prohibited from carrying out those contracts under the U.S. embargo.

Mr. JEFFERSON. So where does that stand now?

Mr. RANNEBERGER. I haven't checked on it recently. I'd have to get back to you exactly where it stands. Basically, the company simply can't proceed with the sales to the Cubans.

[The following was subsequently received:]

On January 9, 1998, Sanachem Holdings, Inc. ("Sanachem"), a South African subsidiary of the Dow Chemical Company ("Dow") applied for a license to authorize performance under a February 1992 contract with Quimimport (Cuba), as modified in August 1997 (the "Contract"). Sanachem requested authorization to deliver all further shipments to Cuba and to complete the performance called for under the Contract.

Sanachem, at the time of license application, was owed approximately USD $20.2 million for shipments that occurred between 1995 and 1997 under the Contract. Dow acquired Sanachem in December of 1997.

The Contract is property in which Cuba or a Cuban national has an interest for purposes of Sec. 515.201 of the CACR. OFAC declined to license any continued performance under the Contract by Sanachem or Dow, and Dow's license application for the same was denied.

OFAC, however, did issue a license to authorize Sanachem to receive amounts that were due to Sanachem under the Contract for sales to Quimimport which occurred prior to Dow's acquisition of Sanachem.

Mr. JEFFERSON. Has this created a substantial problem between our government and the South African Government?

Mr. RANNEBERGER. Well, I think that the South African Government clearly is unhappy about the situation. Beyond that, I don't think I'd want to comment here.

Mr. JEFFERSON. Do we run into problems like that around the rest of the world, not just in this hemisphere, but in other parts of the world as well?

Mr. RANNEBERGER. It has come up. Again, Congressman, the issue here should be addressed more precisely by the Treasury Department, but it comes up from time to time. I'm not aware of a lot of cases. Since I've been in Cuban affairs the past 3 years, there have been a few cases that I'm aware of. I'm not aware of a lot of cases.

Mr. RANGEL. Would the gentleman yield on that point?

Mr. JEFFERSON. Yes, I'd be happy to.

Mr. RANGEL. Are you aware of the press conference that President Clinton had in South Africa with President Mandela?

Mr. RANNEBERGER. Generally, I'm not sure—I'm not sure what you're referring to, Congressman.

Mr. RANGEL. It was a beautiful press conference where President Clinton said how much he loved Africa and Mandela was saying how much he loved America. It was a great press conference. And then someone asked him something about a trade bill and President Mandela went off and said the United States really doesn't pick the friends of South Africa, and he was referring to Cuba. So, that never came to your attention—that incident that obliquely was referred to by Mr. Jefferson, where the whole press conference was about to blow because of remarks that President Mandela made about Helms-Burton. He didn't say that, but that was an American chemical company that was in South Africa and the incident he described.

Mr. RANNEBERGER. No, I——

Mr. RANGEL. I just wanted to know—it was a real source of embarrassment to those of us that were over there, but I just wondered whether your office was sensitive to that?

Mr. RANNEBERGER. We were sensitive to it, and I am aware of what you're talking about, Congressman. And of course, we had prepared briefing information on this issue. We knew it would come up certainly, and people had been prepared. It's a very difficult issue because of course, the embargo is law and there are only certain ways to make exceptions.

Mr. JEFFERSON. Thank you. I don't have much time left. Let me ask—has Cuba undertaken any what you might characterize as significant economic reform in the last few years?

Mr. RANNEBERGER. No, I don't consider there to have been any significant economic reforms. There have been some minor, very limited, economic reforms and I could mention what they are. They've got now a list—I think it's 125 or 150 areas—where people can do so-called family enterprises. You can't hire outside of your family. And there are things like bicycle repair, shoe repair, and the like. They've allowed people to open up restaurants; you can't have any more than 12 seats. These are not systemic reforms in terms of allowing a small private sector to develop.

They then introduced last year, or the year before, a tax system which has very large tax requirements for these private entrepreneurs. As a result, these private entrepreneurs had amounted to about 250,000 people perhaps in an island of 11 million. That figure apparently is down now to about 180,000 because of their inability to pay these taxes.

So, they have done some cosmetic things in order to look more like a modern country. They've created a central bank, and they've got some different subsidiary banks, that sort of thing. But there hasn't been anything that I would characterize as systemic economic reform.

Chairman CRANE. Mr. Becerra has one final question before you run to the airport.

Mr. RANNEBERGER. Sure.

Mr. BECERRA. Thank you, Mr. Chairman. I'll make it brief. And I apologize, because I was not here for the first panel, but I understand there was a little discussion—often times, people are asked—Cuba is a smaller country and is close to us, but DOD says it's not a conventional threat. China, the largest country in the world; the largest Communist country in the world; certainly a large military; certainly the capacity—nuclear capacity—to do some harm, not just to us, but to others; not only do we trade with them, we offer them most-favored-nation trade status.

What's the Department of State's response or comment—how do you respond to opening the doors to full trade negotiations status to China and not to a neighbor that's 90 miles away?

Mr. RANNEBERGER. Congressman, that actually had come up and I want to go over it again, because it's an important question and it comes up all the time. What I have said is that clearly we have consistent policy goals throughout the world—promote democracy, human rights, U.S. commercial and business interest, and the national security per se. We apply different tactics that are appropriate to a given situation.

Secretary Albright, and I always allude to it, because I can't say it any better, has said that we don't have a one-size-fits-all policy. Obviously, you can't have A to Z, and we're going to implement A, B, and C here, and here, and here. You choose from a menu of options.

In the case of Cuba, it's 90 miles away, a unilateral embargo can have, and is having, a significant impact, especially since the end of the Soviet subsidy. In China, imposition of a unilateral embargo would have very limited effect, and there are overriding issues there that require a relationship. We have spoken out—clearly, I think, and forcefully—on the human rights issue in China.

And one other point that's worth noting, is that the economic reforms and the changes in the system in China have been vastly more than has occurred in Cuba. There's no comparison of those two situations. So there has been a degree of system change. It hasn't been political change. There hasn't been enough done—nearly enough—on human rights, and I think we've spoken out forcefully on that.

Mr. BECERRA. Thank you.

Chairman CRANE. Well, Mr. Ranneberger, we want to thank you for giving of your time and appearing before the Subcommittee and to wish you bon voyage.

Mr. RANNEBERGER. Thank you, sir.

Chairman CRANE. Catch your plane. Our next panel consists of Richard O'Leary, chairman of H Enterprises International; Willard M. Berry, president, European-American Business Council; Robert Muse, principal, Muse & Associates; John S. Kavulich—I think I'm hopefully pronouncing it correctly—president, U.S.-Cuba Trade and Economic Council; and our distinguished former colleague, Michael Barnes, representative of USA Engage.

Please be seated and we'll proceed in the order which I presented you before the Subcommittee. And, again, let me remind you that the lights here can give you an idea of the timing, but please try and keep your oral presentations to 5 minutes. And all written statements will be made a part of the permanent record.

And you may start, Mr. O'Leary.

STATEMENT OF RICHARD E. O'LEARY, CHAIRMAN, H ENTERPRISES INTERNATIONAL, INC., MINNEAPOLIS, MINNESOTA; ON BEHALF OF U.S. CHAMBER OF COMMERCE

Mr. O'LEARY. Thank you, Mr. Chairman. I appreciate the opportunity to testify on behalf of the U.S. Chamber of Commerce on U.S. economic and trade policy toward Cuba.

Over the past five decades, the Chamber has consistently opposed the imposition of unilateral economic embargoes, sanctions, or boycotts as an instrument of U.S. foreign policy in the absence of a clear and overriding national security interest. That position has been maintained through several generations of business leaders, numerous economic cycles, and many variations of the national political environment because the fundamentals are constant.

Historically, for over 2,000 years, the unilateral imposition of economic sanctions by nations has not proven to be effective in obtaining stated objectives.

Historically, the unilateral imposition of economic sanctions by the United States has never achieved the sanctions' stated objectives or materially altered the target country's objectionable behavior.

Historically, though devoid of substantive benefits, impositions of unilateral economic sanctions by the United States has been accompanied by high costs when measured by the adverse effects on the quality of life on adults and children in target companies, the loss of economic opportunities for the American work force and business community, and the impairment of relations with nontarget nations which generally oppose such unilateral actions and/or disagree on the merits of specific applications.

Historically, America's values and interests and the cause of democracy have best been advanced by sustained involvement in international trade that expands market economies and raises standards of living—the crucial ingredients in nurturing political—freemen—freedom and respect for human rights.

We submit that it should be apparent that the U.S. economic and trade policy toward Cuba for the last four decades has failed to remove Fidel Castro as the head of state or even materially weaken the political control of high government; failed to enhance the development of democratic values in Cuba; failed to attract the meaningful support of any other nation; impaired our relations with our most important allies and trading partners to the point of retaliation; condemned 11 million men, women, and children 90 miles from our border to a standard of living that features inadequate availability of critical medical resources and substandard nutrition; and denied American workers the benefits that would otherwise flow from the economic opportunities that are now foreclosed to the U.S. business community.

Mr. Chairman, the foregoing assessment underscores the Chamber's recommendations that Congress should immediately enact legislation to lift restrictions on the sale of medicine and food to Cuba. Our regard for human rights is surely above the level reflected by the punitive consequences of our current policy. It is time to get away from the fallacious notion that there is or has to be conflict between business and humanitarian interests.

Second, the Congress should enact legislation to facilitate reestablishing economic relations with Cuba. No other authoritarian regime has been able to resist the movement toward a more open society after engaging commerce with nations driven by democratic values. In short, we support Congressman Rangel's bill.

Third, Congress should enact legislation that facilitates the building of institutions necessary for Cuban society to engage in open relationships with the world's market economies. We also endorse the Hamilton-Crane-Lugar standards of accountability for imposing economic sanctions.

Mr. Chairman, as one last comment, I would like to offer for the record, an excerpt from Forbes magazine of March 23, of which we do not endorse the editorial comments, but it provides a really nice single snapshot of the dramatic effect that our unilaterally imposed embargo has had on the people of Cuba, which has degenerated the gross domestic product of Cuba from about $1,800 a person down to $1,300 a person over the time, and illustrates the opportunity

that's available if they just had an open market approach, which we would encourage, which would have had them growing from that same $1,800 to over $4,100.

[At the time of printing, no excerpt had been received.]

Thank you, Mr. Chairman.

[The prepared statement follows:]

Statement of Richard E. O'Leary, Chairman, H Enterprises International, Inc., Minneapolis, Minnesota; on Behalf of U.S. Chamber of Commerce

My name is Richard E. O'Leary. I am Chairman of H Enterprises International, based in Minneapolis, Minnesota. I am a Member of the Board of Directors of the U.S. Chamber of Commerce and its International Policy Committee. I am also Chairman of its Finance Subcommittee. I appreciate this opportunity to testify on behalf of the U.S. Chamber of Commerce on U.S. Economic and Trade Policy Toward Cuba.

Over the past five decades, the Chamber has consistently opposed the imposition of unilateral economic embargoes, sanctions or boycotts as an instrument of U.S. foreign policy in the absence of a clear and overriding national security interest. That position has been maintained through several generations of business leaders, numerous economic cycles and many variations of the national political environment because the fundamentals are constant:

• Historically, for over 2,000 years, the unilateral imposition of economic sanctions by nations has not proven to be effective in obtaining stated objectives;

• Historically, the unilateral imposition of economic sanctions by the United States has never achieved the sanctions' stated objectives or materially altered the target countries' objectionable behavior;

• Historically, though devoid of substantive benefits, imposition of unilateral economic sanctions by the United States has been accompanied by high costs when measured by the adverse effects on the quality of life on adults and children in target countries, the loss of economic opportunities for the American work force and business community and the impairment of relations with non-target nations which generally oppose such unilateral actions and/or disagree on the merits of specific applications; and

• Historically, America's values and interests and the cause of democracy have best been advanced by sustained involvement in international trade that expands market economies and raises standards of living—crucial ingredients in nurturing political freedom and respect for human rights.

We submit that it should be apparent that the U.S. economic and trade policy toward Cuba for the last four decades has:

• Failed to remove Fidel Castro as the head of state or even materially weaken the political control of his government;

• Failed to enhance the development of democratic values in Cuba;

• Failed to attract the meaningful support of any other nation;

• Impaired our relations with our most important allies and trading partners to the point of retaliation;

• Condemned eleven million men, women and children ninety miles from our border to a standard of living that features inadequate availability of critical medical resources and sub-standard nutrition; and

• Denied American workers the benefits that would otherwise flow from the economic opportunities that are now foreclosed to the business community.

Mr. Chairman, the foregoing assessment underscores the Chamber's recommendations that:

• Congress should immediately enact legislation to lift restrictions on the sale of medicine and food to Cuba. Our regard for human rights is surely above the level reflected by the punitive consequences of our current policy. It is time to get away from the fallacious notion that there is or has to be conflict between business and humanitarian interests.

• Congress should enact legislation to facilitate reestablishing economic relations with Cuba—no other authoritarian regime has been able to resist the movement toward a more open society after engaging commerce with nations driven by democratic values.

• Congress should enact legislation that facilitates the building of institutions necessary for Cuban society to engage in open relationships with the world's market economies.

WHAT CRITERIA SHOULD GOVERN U.S. ECONOMIC SANCTIONS POLICY?

Recent history is replete with examples of U.S. unilateral economic actions with the stated purpose of penalizing various other countries to advance U.S. foreign policy interests. The widespread impact of U.S. unilateral sanctions has been documented by several recent studies. The Institute for International Economics recently concluded that U.S. unilateral sanctions cost the U.S. economy 200,000–250,000 jobs in 1995 and reduced U.S. exports by $15–20 billion. A recent report by the President's Export Council also concluded that U.S. unilateral sanctions now threaten 75 nations representing 52% of the world's population.

Yet, those actions failed to alter materially the target countries' objectionable behavior. Instead, erstwhile allies castigate U.S. foreign policy, while the regimes we target gain support and U.S. businesses and their workers bear the burden of market opportunities lost to Asian and/or European competitors.

America's values and interests are best advanced by sustained involvement in world affairs by both the public and private sectors. The expansion of free market economies and rising living standards are crucial ingredients of political freedom and respect for human rights. It is difficult to imagine circumstances which would not be better addressed in concert with our allies and trading partners. Before proceeding unilaterally, the U.S. government should adopt a standard of ongoing accountability, so that unilateral foreign policy sanctions are evaluated by:

- Whether they achieve their intended results
- The costs imposed upon Americans in terms of lost jobs and reduced incomes.
- The potential sacrifice of other national interests.

THE HELMS-BURTON ACT AND CUBA-U.S. RELATIONS

The Helms-Burton Act clearly fails to comply with such a standard of ongoing accountability. Building on earlier executive actions and the Cuban Democracy Act, the Helms-Burton Act codified for the first time the nearly four decades-old U.S. embargo against Cuba. Significantly, the Act also established a new right of action by U.S. nationals against persons—including non-U.S. nationals—who "traffic" in expropriated property to which the U.S. nationals own claims. The Act also directs that non-U.S. nationals involved in the confiscation of, or trafficking in, such property be denied entry into the U.S. except for certain medical reasons or to litigate a claim. In other words, the Helms-Burton Act established in law a process for the imposition of a secondary boycott against third country interests engaged in activities proscribed under the Act (a practice which U.S. policy condemns in Arab countries when it has been applied to third parties doing business with Israel).

To paraphrase and summarize section 3 of the Helms-Burton Act, its purposes include (but are not limited to): (1) assistance to the Cuban people in regaining their freedom; (2) strengthened international sanctions against Castro; (3) provision for the continued U.S. national security; (4) encouragement of free and fair elections in Cuba; (5) provision of a "policy framework" to the Cuban people in response to the formation of a transition or democratically elected Cuban government; and (6) protection of U.S. nationals against trafficking in expropriated property. Some of these purposes thus provide a useful benchmark against which to measure changes in Cuba, and changes in Cuba's relationship with the U.S. and other countries.

First, are Cuban people freer as a result of the enactment of the Helms-Burton law? Embargo supporters frequently look to the removal or withdrawal of Fidel Castro from power as a necessary precondition for greater freedom in Cuba. That may be true. But last October, at the fifth Cuban Communist Party Congress, Castro was reaffirmed as head of the party. And on February 24, Castro was "re-elected" as President of Cuba in the usual mechanical fashion. Moreover, there has been as yet no change in the makeup of the Cuban governmental system that would suggest any new departure from Castro's long-standing mode of governance. After four decades, Castro's governmental and security apparatus remain largely in place. Despite clear evidence of the freedom-enhancing effects of U.S. engagement in other authoritarian countries, no such opportunity yet exists in Cuba.

Second, are there strengthened international sanctions in place? On the contrary, not only are our major trading partners/competitors not emulating U.S. policy, but some of them—Canada, the European Union (EU), Mexico—have actually put in place laws that make compliance with Helms-Burton actionable if not illegal in their own countries. This international sentiment in opposition to U.S. policy has been demonstrated repeatedly since the recent Papal visit in ways too numerous to detail in the limited time available for this hearing. All of this serves to supplement long-standing, widespread international refusal to emulate the U.S. embargo. The U.S.-Cuba Trade and Economic Council has noted that all of the other large "G–7" industrial economies are well represented among an estimated 4,500 non-U.S. foreign

companies commercially active in Cuba. as of December 1997, and that announced foreign investment in Cuba since 1990 exceeds US$5.55 billion, with actually committed or delivered investment exceeding US$1.24 billion.

Third, does Helms-Burton enhance U.S. national security? Eminent U.S. military authorities say Cuba does not pose a threat. On January 13, General John J. Sheehan, former Supreme Allied Commander of Atlantic Forces who was once responsible for the Cuban migrant camps at Guantanamo Bay, stated at a U.S. Chamber of Commerce press conference simply that Cuba "does not present a military threat to the United States." And more recently, on April 27 General Charles Wilhelm, Commander-In-Chief of the U.S. Southern Command, not only gave a similar assessment but went beyond that by saying that Cuba and the U.S. shared some common problems—such as "counter-narcotics"—and that there was "definitely a possibility" that Cuba and the U.S. could work together on them. But despite these assessments, the U.S. embargo against Cuba imposes harsh restrictions in areas such as food and medical sales that are not applied to countries—such as Iraq and North Korea—whose regimes are no less harsh and whose agendas clearly pose a much greater threat to vital U.S. interests.

Fourth, has Helms-Burton encouraged free and fair elections in Cuba? As noted above, Castro's hold on power in Cuba remains strong despite two years of Helms-Burton "leverage" intended to release his grip on power. Such leverage cannot succeed through forced unilateral isolation. Throughout the U.S. and around the world, individual liberty and free enterprise go hand in hand. Each fosters the other. By their very presence and operations, American companies and expatriate communities take second place to no one in their contributions to economic and political freedom in their host countries. Continuing U.S. company presence and engagement abroad are critical to the inculcation of these values.

Fifth, does Helms-Burton provide a viable "policy framework" for the formation of a transition or democratically-elected Cuban government? Title II of Helms-Burton spells out such a framework which, if implemented, could justify suspension of the U.S. embargo, to the extent that such steps would contribute to a "stable foundation" for a democratically-elected government in Cuba. However, the fact is that the unilaterally-imposed embargo has created an environment in which these conditions cannot be realized.

Sixth, does Helms-Burton protect U.S. nationals against trafficking in expropriated property? Such property was expropriated as far back as the early 1960s. Shortly thereafter, the U.S. government established a Cuban claims program, administered by the Treasury Department. Today, four decades later and after all other claimant countries have settled their claims, and more than two years after Helms-Burton's enactment, there is little or no evidence that the statute has contributed materially to any resolution of the U.S. claims arising from the expropriation of nearly forty years ago.

THE HELMS-BURTON ACT AND U.S.-EUROPEAN RELATIONS

One of the Helms-Burton Act's purposes was to rally international support for the imposition of change on Castro's regime. However, in reality, Helms-Burton has clearly strained our economic and political relations with other, far more significant trading partners, while failing to achieve its stated purposes.

Some are suggesting that the EU's recent decision not to renew its WTO complaint should be construed as U.S. progress in "bringing" Europe around to our point of view. However, it should be obvious that the EU is fully prepared to resume its battle against us on this front if the U.S. starts to implement Helms-Burton.

Negotiations conducted pursuant to a fundamentally flawed and ineffective policy—executed, by the way, from a position of weakness, not of strength—cannot be expected to succeed. The cause of democracy in Cuba will be best served by allowing Americans to travel to and do business in Cuba—and in so doing, helping to export our democratic values to that country. Even if the EU was not actively promoting democratic change in Cuba, it makes no sense to impose or threaten sanctions against the EU when our own law effectively prevents us from doing it ourselves.

CONCLUSION

It is fair to say that the only material contribution arising from the continuing unilateral U.S. embargo of Cuba—which was codified and expanded with the 1996 enactment of the Helms-Burton legislation—was to confer quasi-martyr status on Castro's regime by permitting its subjects to focus on an external enemy, namely, the United States. With the enactment of Helms-Burton, the Cuba embargo has mutated into a secondary boycott of a variety of Canadian, European and other interests—thereby compelling these far more important allies and trading partners to

protect their own interests by enacting blocking statutes and otherwise backing into an implicit alliance with Castro's regime. If the United States hopes to contain and eventually reverse this damage—and at the same time enhance commercial and democracy-building opportunities for Americans and Cubans alike—it has no real choice but to end the embargo and work toward normal relations with a small, non-threatening nation only ninety miles offshore.

I appreciate this opportunity to testify before this Subcommittee. I will be happy to try to answer any questions.

Chairman CRANE. Thank you.

Mr. Berry.

STATEMENT OF WILLARD M. BERRY, PRESIDENT, EUROPEAN-AMERICAN BUSINESS COUNCIL

Mr. BERRY. Thank you, Mr. Chairman and Members of the Subcommittee for this opportunity to testify.

I'm Willard Berry, president of the European-American Business Council. We're an organization of U.S.- and European-owned companies. We provide actionable information on policy developments and work with officials on both sides of the Atlantic to secure a more open trade and investment environment.

Today, I would like to focus on the impact that U.S. policy toward Cuba has had on business and on relations with our allies. I hope that my testimony today will make one point clear and that's that our economic policy toward Cuba has a cost.

The cost to the U.S. economy goes beyond the business opportunities lost because we do not trade or invest with Cuba. We also must suffer through disputes with our allies who object to the extraterritorial application of U.S. law and the costs to their companies. U.S. subsidiaries abroad suffer because they become caught between conflicting requirements, unable to obey both U.S. sanctions laws and foreign blocking statutes. Local U.S. economies bear part of the cost also when foreign investment goes elsewhere to avoid becoming entangled in sanctions.

As this Subcommittee is well aware, the extraterritorial application of our embargo against Cuba has been one of, if not the, most important economic dispute between the United States and Europe over the last 2 years. When Helms-Burton was passed in 1996, the Council said that it would disrupt relations with Europe and get in the way of other important initiatives.

There are many examples. One occurred just last week. The United States and the European Union have been discussing a broad trade initiative that might be launched at their bilateral summit on May 18. EU member states, most of whom are supportive of this idea, announced last week that any discussion of further bilateral liberalization will be put on hold if the United States and the European Union cannot settle the dispute over Helms-Burton.

The European Commission estimates that the broad impact of that agreement would boost both economies by approximately 1 percent of GDP annually.

The Multilateral Agreement on Investment provides another example. Global investment is growing three times faster than trade. We have rules now, under the Uruguay Round Agreement, for trade but we have no global disciplines on investment. That's why

the MAI is so important. The MAI, however, cannot be concluded without a resolution of the dispute over Helms-Burton.

Then there is the WTO. The WTO is likely to launch a new round of trade negotiations in 2000. Helms-Burton poses a major problem in the WTO for a number of things: Negotiation of investment rules under the WTO; broad U.S. and EU cooperation across a range of trade issues. Also Helms-Burton threatens the WTO more directly because of the potential for a dispute settlement case, which could undermine the credibility of the institution.

Insofar as the impact on companies, the most immediate, of course, is that companies are denied trade and investment opportunities in Cuba. The U.S. extraterritorial laws, such as Helms-Burton, also, as I mentioned, create conflicting requirements. In response to the extraterritorial reach of U.S. policy toward Cuba, blocking legislation has been established in the European Union, Canada, and Mexico. An example: Wal-Mart's Canadian subsidiary was caught by conflicting laws when it discovered it was selling Cuban-made pajamas.

Last year, the Council conducted a study of the impact of sanctions on U.S. and European companies. We surveyed 42 companies that, together, employ nearly 750,000 workers in the United States and 3 million worldwide. They average about $5 billion in annual U.S. sales.

Twenty-six percent of these companies said that they had been harmed by the type of conflicting requirements that have risen because of Helms-Burton. Helms-Burton itself had harmed 64 percent of the companies surveyed, even though it had only been applied under limited circumstances.

Our study documents the effects of sanctions. We know that when companies are hit by sanctions laws, they must reduce employment; they sometimes close plants and relocate operation.

The costs of this policy seem particularly high considering the fact that unilateral economic sanctions have an abysmal record of effectiveness.

Thanks again, Mr. Chairman and Members of this Subcommittee for the opportunity to testify.

[The prepared statement follows:]

Statement of Willard M. Berry, President, European-American Business Council

INTRODUCTION

Mr. Chairman and members of the committee, thank you for the opportunity to testify. I am Willard M. Berry, President of the European-American Business Council. The Council is the one transatlantic organization that provides actionable information on policy developments and works with officials in both the US and Europe to secure a more open trade and investment climate. Our 80 member companies include US- and European-owned firms—therefore our work on trade, tax and investment issues is devoted to improving the business environment on both sides of the Atlantic. We are active on our own and through the Transatlantic Business Dialogue (TABD) in strengthening the economic relationship between the US and Europe, heading off trade disputes, and increasing US–EU cooperation in the World Trade Organization (WTO) and other multilateral fora. We aim to be the definitive source of knowledge and leading business advocate on US and European political activity affecting transatlantic companies.

Today I would like to focus on the impact that US policy toward Cuba has had on business and on relations with our allies. I will leave it to the other experts here today to discuss the status of humanitarian efforts in Cuba and the effectiveness

of the embargo we have maintained for almost 40 years. I hope that my testimony today will make one point clear: that our economic policy toward Cuba has a cost. Fidel Castro bears part of the cost, the Cuban people bear part of the cost, the US economy bears part of the cost and, thanks to the extraterritorial nature of that policy, foreign companies including US subsidiaries bear part of the cost. The cost to the US economy goes beyond the business opportunities lost because we do not trade with Cuba and we do not allow our companies to invest in Cuba. We also must suffer through disputes with our allies, who object to the extraterritorial application of US law and the costs to their companies. US subsidiaries abroad suffer because they become caught between conflicting requirements, unable to obey both the US sanctions law and foreign blocking statutes. Local US economies bear part of the cost also when foreign investment goes elsewhere to avoid becoming entangled in sanctions.

IMPACT ON US-EUROPEAN RELATIONS

As this subcommittee is well aware, the extraterritorial application of our embargo against Cuba has been one of, if not the most important, economic dispute between the US and Europe over the last two years. While Europeans were strongly opposed to the Cuba Democracy Act of 1992 and enacted blocking legislation to prevent its application to US subsidiaries in Europe, the Helms-Burton Act has brought tensions to much higher levels. When Helms-Burton was passed in 1996, the EABC said that it would disrupt relations with Europe and get in the way of other important initiatives. Well, just last week we saw a concrete example. The US and the European Union have been discussing a broad trade initiative that might be launched at their bilateral summit on May 18. EU Member States, most of whom are supportive of this idea, announced last week that any discussion of further bilateral liberalization will be put on hold if the US and EU cannot work out an agreement to settle the dispute over Helms-Burton. The European Commission has estimated that a broad trade agreement between the US and EU would boost both economies by an amount roughly equal to the impact of the Uruguay Round of the General Agreement on Tariffs & Trade. But before we can hope to capitalize on those gains, we must get by the problems caused by Helms-Burton.

The proposed Multilateral Agreement on Investment (MAI) is similarly held hostage to Helms-Burton. Although, the MAI, like the proposed transatlantic trade agreement, faces a number of significant obstacles, it cannot be concluded without a resolution of the dispute over Helms-Burton. Hopefully, this can be achieved by the time MAI negotiations resume next Fall, or else we may see another direct cost of our economic policy toward Cuba. If the MAI can be concluded, it will offer immediate benefits. Recent investment liberalization in the US and other countries will be locked in, providing important certainty to business. Companies will be able to protect themselves from discriminatory actions by governments. The MAI will also establish protection for almost all kinds of investment, including facilities, inventory, financial assets and intellectual property. In addition, with OECD members such as Korea and Mexico signing on and a number of observer countries such as Hong Kong, Argentina, Brazil, Chile and Slovakia considering signing on immediately, the MAI will put pressure on other advanced developing countries to guarantee fair treatment in order to attract and retain investment.

These initiatives are not likely to be the only ones disrupted if current US policy is maintained. The WTO is likely to launch a new round of trade negotiations in the year 2000. Helms-Burton, if maintained in its current form, would likely jeopardize any chance of negotiating global investment rules in the WTO and would also impair broader US–EU cooperation across the entire spectrum of trade issues. Helms-Burton also threatens the WTO more directly because of the potential for a dispute settlement case. The EU filed such a case last year, but agreed not to pursue it while negotiations are underway on an agreement on expropriated property and secondary boycotts. Such a case, if reinstated because of failure in those talks or because an EU company is sanctioned under Helms-Burton, could deal a serious blow to the WTO. The US has said it would claim a national security exemption for Helms-Burton, which would undermine the credibility of the multilateral dispute settlement system by suggesting that all manner of WTO-inconsistent measures could be justified on similar grounds.

The dispute between the US and EU caused by Helms-Burton has had very real consequences and will continue to disrupt important cooperative efforts unless the extraterritorial effects can be eliminated.

THE IMPACT ON COMPANIES

The most immediate impact that US Cuba policy has on companies is to deny them trade and investment opportunities in Cuba. Foreign companies, whose governments believe that the best way to bring about change in Cuba is through engagement, are taking advantage of these opportunities, just as US companies take advantage of the US policy of engagement with China and a number of other nations with questionable human rights practices. Some advocates of US Cuba policy have argued that when democracy eventually is established in Cuba, US companies will be welcomed because they stayed out during the Castro regime. I think it is more likely that the companies already established in Cuba will be in a much better position to benefit.

US extraterritorial laws such as Helms-Burton also create conflicting requirements, which is a serious problem for business. Even when the company is not directly affected, the uncertainty created by conflicting laws makes it more difficult to conduct commerce effectively. In response to the extraterritorial reach of US policy toward Cuba, blocking legislation has been established in the European Union, Canada and Mexico.

We have already seen real examples of companies caught by conflicting requirements. Wal-Mart's Canadian subsidiary was caught by conflicting laws when it discovered it was selling Cuban-made pajamas. In order to comply with US extraterritorial law, the company stopped selling the pajamas, only to become the target of an investigation under Canadian blocking legislation. The company decided to comply with local law and resume selling the pajamas and is at risk of penalties under the Cuba Democracy Act of 1992.

EABC SANCTIONS STUDY

Last year, the EABC conducted a study of the impact of sanctions on US and European companies. We surveyed 42 companies that together employ nearly 750,000 workers in the US and 3 million workers worldwide, and which each average about $5 billion per year in US sales. This study confirmed that US sanctions have had strong negative impacts on companies in the US and abroad and that the majority of multinational companies have lost business because of sanctions.

Twenty-six percent of these companies said that they had been harmed by the type of conflicting requirements that have arisen because of Helms-Burton and the Cuba Democracy Act of 1992. Helms-Burton itself had directly or indirectly harmed 64 percent of the companies, even though it has only been applied under limited circumstances. Our survey demonstrates that even when companies are not directly affected, they are seen as unreliable suppliers and poor joint venture partners, making them less competitive because they are less able to form business relationships. Furthermore, foreign companies are less likely to invest in the US when they know their investments might make them subject to US sanctions. My written testimony includes the section of our studying analyzing the impact of Helms-Burton.

We have found some people whose reaction to our study is that sanctions must be working if companies are being affected. To those people I would point out that the goal of these policies, I hope, is not to impair international business. US Cuba policy should not be deemed a success because US and European companies are being denied business opportunities. It is ironic that while all levels of government in this country are working hard to promote exports and attract investment in order to create jobs for their constituents, they are often counteracting these policies by enacting unilateral sanctions, such as Helms-Burton.

WHAT IS AT STAKE?

It would be hard to overstate the benefits the US enjoys because of its economic relationship with Europe. When the US enacts extraterritorial economic sanctions, such as the Helms-Burton Act, it disrupts trade and investment flows between the US and Europe and puts at risk millions of jobs on both sides of the Atlantic. Please allow me to cite a few statistics that demonstrate just what is at stake.

- Two-way trade between the US and the European Union in 1997 reached almost $300 billion—almost one billion dollars per day.
- That trade is nearly balanced—the US exported $141 billion to the EU, the EU exported $157 billion to the US.
- That trade is increasing rapidly—in 1987, two-way trade was about $140 billion, so it has more than doubled in the last ten years.

Foreign investment between the US and Europe is equally robust.

• The US and Europe have an $800 billion stock in cross investment, with $416 billion of European investment in the US and $384 billion in US investment in Europe.

• Almost 42 percent of US foreign direct investment goes to Europe, and 56 percent of all European FDI goes to the US.

• European companies account for the largest share of foreign investment in 42 US states, and the second largest share in the remaining eight states.

CONCLUSION

I hope that my testimony has made clear that our embargo of Cuba and, in particular, the extraterritorial extension of that embargo, imposes many costs on US companies, US workers and the US economy. Those costs are imposed because the US has decided that despite the fact that unilateral economic sanctions have an abysmal record of effectiveness, they are likely to achieve positive change in Cuba. This policy is maintained despite the fact that the US has decided that for many other countries that we hope to influence engagement is the best course.

Thank you once again, Mr. Chairman and Members of the Subcommittee, for the opportunity to testify today. I would be happy to answer any questions.

Secondary Trade and Investment Embargoes

US secondary boycotts, which attempt to force foreign companies to choose between the US market or that of a target regime, were adopted in 1996 in the form of the Helms-Burton Act and the Iran and Libya Sanctions Act. Despite long-standing US and international opposition to the principle of secondary boycotts, these laws were enacted to restrict foreign company trade and investment in Cuba, Iran and Libya. The laws threaten multiple sanctions against companies outside the US in an attempt to make them comply with US foreign policy.

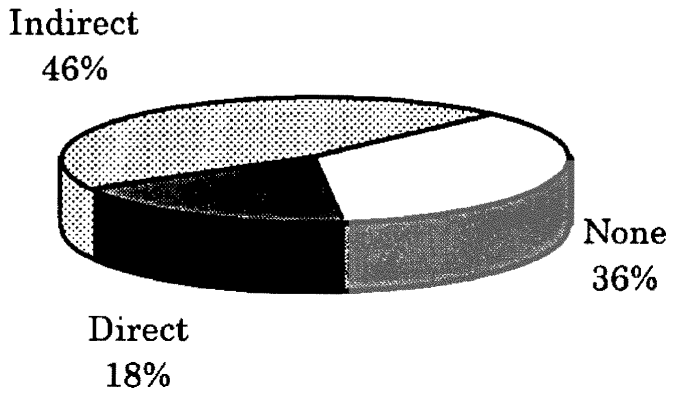
Not surprisingly, the US secondary boycotts continue to invoke strong negative reactions from US allies and the international business community. The EU, in response to both laws, enacted blocking legislation to prevent European companies from complying with them, and began a WTO dispute settlement case against Helms-Burton. In addition, Canada strengthened and Mexico enacted blocking statutes and are considering action under the North American Free Trade Agreement. The US suffered criticism in many international fora and from the international business community. The US business community also has strongly opposed both measures.

THE CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY ACT

On March 12, 1996, President Clinton signed the Cuban Liberty and Democratic Solidarity Act of 1996, or the Helms-Burton Act. The law tightens the 35-year-old US embargo on Cuba by penalizing foreign firms for investing in former US-owned properties expropriated in the 1959 Cuban Revolution.

The Helms-Burton Act applies two sanctions against non-US firms. First, US nationals are allowed a private right of action in US courts against companies investing in the expropriated US properties in Cuba, even if the US national was a Cuban citizen at the time of the expropriation. Second, the law requires the US State Department to deny US entry visas to the executives of foreign firms deemed to be "trafficking" in the properties. President Clinton has thus far waived the provision allowing a private right of action and is expected to do so throughout his term, citing positive steps taken by the EU countries with respect to Cuba. The provision denying US entry visas cannot be waived and remains in effect.

NEGATIVE IMPACT OF HELMS-BURTON ON ALL COMPANIES



The Helms-Burton Act already negatively impacts a large majority of companies operating in the US. Over 64 percent of survey respondents say that Helms-Burton affects their existing, planned or potential business operations. And although the law has only been applied under limited circumstances, it impacts the third largest share of companies of any of the sanction laws examined by the study. The effect is spread evenly among both US and European companies.

RISKS ASSOCIATED WITH HELMS-BURTON SANCTIONS

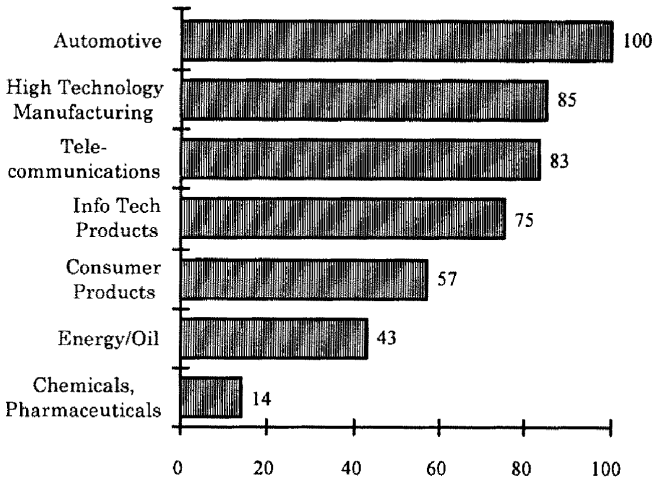
Helms-Burton Sanction	Most Common Effect
DENIAL OF US ENTRY VISAS FOR FOREIGN EXECUTIVES.	FEWER JOINT VENTURES
ALLOW PRIVATE RIGHT OF ACTION IN US COURTS AGAINST OVERSEAS INVESTMENTS.	LESS INVESTMENT IN THE US

EABC asked companies what effects would result if the sanctions in the Helms-Burton Act were applied to them. These are the effects cited by the largest number of companies.

Denying US entry visas as authorized by the Helms-Burton Act threatens jobs and investment in the US. If denied US entry visas, nearly 48 percent of the companies surveyed say that they would be forced to reduce their US workforce. Over 40 percent say this sanction would force them to reduce their investment in the US. Fifty-five percent of the companies say their joint venture opportunities would be threatened by visa restrictions, thus harming their competitiveness.

Allowing lawsuits against overseas investments also would threaten US jobs and investment. Nearly a third of the companies surveyed say that this sanction would force them to reduce jobs and investment in the US. Nearly half of the European owned companies say that they would reduce their investment in the US if subjected to such suits.

NEGATIVE IMPACT OF HELMS-BURTON ON COMPANIES BY INDUSTRY SECTOR



Automotive, high technology and telecommunications sectors report the greatest effect from Helms-Burton. In fact, every automotive company surveyed said that the law's existence has negatively affected its business operations. High technology sectors are also substantially impacted.

International retaliation against Helms-Burton can pose additional difficulties for companies, trapping them between conflicting requirements. Nearly 20 percent of companies report being caught between the requirements of US extraterritorial sanctions laws and foreign blocking legislation. Because Helms-Burton spurred European, Canadian, and Mexican countermeasures, US- and European-owned companies can be caught in the middle of a foreign policy dispute, facing serious penalties and sanctions regardless of whether a particular investment is maintained or withdrawn from Cuba.

Chairman CRANE. Thank you.

Mr. Muse.

STATEMENT OF ROBERT L. MUSE, MUSE & ASSOCIATES

Mr. MUSE. Thank you, Mr. Chairman, Congressman Rangel, Members of the Subcommittee for allowing me to testify.

There are two facets to my remarks. I want to comment briefly on the increasingly adverse effect on U.S. trade of our foreign policy toward Cuba, as that policy is set out in the Helms-Burton Act. The second part of my remarks will address the issue of the claims certified, against Cuba, by the Foreign Claims Settlement Commission on behalf of U.S. companies.

I will attempt to place the issue of resolution of those corporate claims in the context of future U.S.-Cuba relations.

The costs to the United States of our foreign policy toward Cuba is becoming ever greater. That policy is, of course, embedded in the

Helms-Burton Act, and it is in fundamental conflict with the interests of the United States and its citizens in expanding and strengthening a rules-governed, stable world trade and investment order. What Mr. Berry pointed out a moment ago requires a reiteration.

On April 27 at a meeting in Luxembourg, the European Union's Foreign Ministers rejected the request of the European Commission to launch a new round of discussions with the United States on trade liberalization. Among those proposals were: The elimination of tariffs on industrial goods; the opening up of trade and services; the removal of technical barriers to trade; and finally, the liberalization of investment and government-tendering rules.

It's important to ask why such an important project was derailed. The answer lies, in significant part, in U.S. foreign policy toward Cuba. On April 27, the European Ministers made clear in their communique that a resolution of the dispute with the United States over the extraterritorial provisions of Helms-Burton was "a condition to the further development of trans-Atlantic trade."

I think many U.S. policymakers have been somewhat confused and baffled by the strength of European opposition to laws like Helms-Burton. It's not so much a dispute over policy. In large part, the U.S. policy of keeping the U.S. private sector out of Cuba has not been disadvantageous to the Europeans. They felt that they were able to trade with Cuba without U.S. competition. The real dispute is therefore jurisprudential. It's a rule of law dispute. What are the limits on extraterritorial legislation? The problem is not going to go away easily because it is a dispute rooted in principles.

The second part of my remarks concerns U.S.-certified corporate claimants against Cuba. The first thing to say about those claimants is that there are several hundred of them, with a total of $1.6 billion in certified claims. But the claims themselves are clustered among the largest 10 claimants. The value of their losses in Cuba was approximately $1 billion of the $1.6 billion in certified corporate claims.

I make that point in order to say if a resolution could be found with the largest corporate claims, the problem of the remaining claims against Cuba becomes manageable. The issue of these claims is going to matter a great deal as we proceed toward eventual normalization of trade relations with Cuba. The courts have been clear we must resolve the outstanding expropriation claims of U.S. nationals before relations with the expropriating nation may be normalized.

I would propose, given the current state of Cuba's economy, that all parties to such a resolution are going to have to be innovative and creative in the approach they take to the resolution of those claims.

There are two final points I want to make about the certified claims registered against Cuba. Those claims have legal standing in the international law rules that protect foreign investment. It's not a trivial matter—there are increasing U.S. investments abroad every year that find protection in international law.

The Helms-Burton Act, by impermissibly extending the protection of the United States to non-U.S. nationals at time of injury, has undermined that rule of law that protects U.S. investments.

We can't effectively claim that other countries adhere to that law when we're in violation of it.

My second point is how cavalierly the certified claimants were treated when Helms-Burton was passed. They were vocal and specific in their objections to that statute. Their objections were ignored. The statute was passed. The question is where do we go from here.

As a first step, the United States should alter Helms-Burton to bring this country back into conformity with international law.

Second, the U.S. Government should promote a resolution of the claims of U.S. citizens against Cuba. Considering the circumstances and consequences of the enactment of Helms-Burton, it's the least that the government can do at this time.

Thank you.

[The prepared statement follows:]

Statement of Robert L. Muse, Muse & Associates

Mr. Chairman, Congressman Rangel, thank you for inviting me to today's hearing on the subject of U.S. economic and trade policy toward Cuba. There are two facets to my remarks. First, I will comment briefly on the increasingly adverse effect on U.S. trade of this country's policy toward Cuba, as that policy is set out and, indeed, at present is controlled by the Helms-Burton Act. The second part of my remarks will address the issue of the claims certified against Cuba, by the Foreign Claims Settlement Commission, on behalf of U.S. companies. I will attempt to place the issue of resolution of those claims within a context of future U.S./Cuba relations.

THE EFFECT ON U.S. TRADE OF THE HELMS-BURTON ACT

The subject of this hearing could hardly be more timely. The cost to the United States in terms of global trade and investment, of our foreign policy toward Cuba is becoming ever greater. That policy is at present embedded in the Helms-Burton Act, and it is in fundamental conflict with the interests of the United States and its citizens in a stable world trade and investment order.

In considering one point of focus of today's hearing, that is, the effects of U.S. Cuba policy on relations with U.S. trading partners, we might begin with the recent date of April 27, where, at a meeting in Luxembourg, the European Union's foreign ministers rejected the request of the European Commission to place an ambitious set of proposals for transatlantic trade liberalization on the agenda of the EU's May 18 summit with President Clinton. (Among the proposals for negotiation between the U.S. and the EU were the not insignificant matters of; (i) elimination of tariffs on industrial goods; (ii) the opening up of trade in services; (iii) the removal of technical barriers to trade and (iv) the liberalization of investment and government tendering rules).

Why, it ought to be asked with some urgency, did the "New Transatlantic Marketplace" ("NTM") proposed by the European Commission encounter resistance from European Union member states? After all, the EU and the U.S. are each other's single largest trading partner (taking goods and services together) and they are each other's most important source of foreign direct investment.[1] Therefore the elimination of impediments to free trade and investment between the EU and the U.S. is something of incontestable value on both sides of the Atlantic. Why, then, was such an important project derailed? The answer lies in significant part in U.S. foreign policy toward Cuba. On April 27, the EU foreign ministers made it clear that a resolution of the dispute with the U.S. over the extraterritorial provisions of the Helms-Burton Act was a "condition" to the further "development of transatlantic trade."[2]

The strength and duration of foreign anger over the Helms-Burton Act—of which the action of the European Council of Ministers is merely the latest example—has surprised many U.S. policymakers. Why, exactly, is the world so obstinately indignant about Helms-Burton? Other countries' anger arises from the fact that the stat-

[1] See the European Commission's paper The New Transatlantic Marketplace, March 11, 1998.

[2] See communiqué of European Council, April 27, 1998. In addition to Helms-Burton, the EU foreign ministers also included resolution of the dispute with the U.S. over the Iran-Libya Sanctions Act ("ILSA") as a condition "for developing transatlantic trade."

ute seeks a foreign policy objective in Cuba through means that violate international law. At its heart, foreign opposition to the Helms-Burton Act rests far more upon jurisprudential principles than differences over policy.[3]

HOW DOES THE HELMS-BURTON ACT VIOLATE INTERNATIONAL LAW

The end sought in Cuba by the Helms-Burton Act is the transformation of Cuba along the economic, political and even social lines set out in Title II of the Act. The means to this intended end are Titles III and IV of the statute. Those provisions of the Act are meant to foreclose investment in Cuba by placing off-limits to foreign enterprises virtually every property on the island.[4] The way the Act achieves this coerced moratorium on foreign investment in Cuba is through extending U.S. support—in the form of lawsuit rights and denial of entry into the U.S. of certain foreign executives—to the claims of non-U.S. nationals at the time of their property losses in Cuba. By doing this the U.S. violated the nationality of claims principle of public international law, a principle which holds that a nation may not support, vis-a-vis another nation, the claims for redress of injury of anyone but those holding its citizenship at the time of injury.

THE POSITION OF THE CERTIFIED CORPORATE CLAIMANTS

The certified corporate claimants are U.S. companies that hold claims certified against Cuba by the Foreign Claims Settlement Act of 1964.[5] Of the $1.8 billion in principal property losses certified against Cuba, $1.6 billion were U.S. corporate property losses.[6]

Certified corporate claimants opposed Helms-Burton because; (i) it violated and therefore undermined international law; (ii) it was injurious to the interests of U.S. nationals holding claims against Cuba that are actually recognized by international law (i.e., the claims of U.S. nationals at the time of their property losses); (iii) it would produce serious conflicts with U.S. trading partners and impede progress on bilateral and multilateral agreements the U.S. seeks in international trade; (iv) it could create a major future impediment to normalized commercial relations between Cuba and the U.S. in the course of any rapprochement between the two countries; and, (v) it would have the distinct potential of rendering the U.S. government liable for the claims of Cuban Americans against Cuba, at a cost to the American taxpayer of tens of billions of dollars.

Restrictions of time prevent the development of any of these points in great detail.[7] I will therefore conclude by offering a few general thoughts about U.S. corporate claims against Cuba. First, those claims possess legal standing under the international law rules that protect foreign investment. The protection of this investment can only grow in importance as U.S. companies invest ever greater sums abroad. Yet the Helms-Burton Act erodes the international rule of law that serves

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[3] Europe has long viewed U.S. policy toward Cuba as ineffectual and perhaps even counterproductive. However, as long as U.S.-Cuba policy was not applied coercively to our European trading partners they had little reason to be indignant about that policy. Indeed, the central tenet of U.S. policy (i.e. the prohibition on American corporations trading or investing in Cuba) was advantageous to European enterprises with commercial interests in Cuba insofar as that policy served to preclude competition from the United States' private sector.

[4] Approximately 600,000 Cubans emigrated to the U.S. in the years 1960–1964. This represented 10% of Cuba's total population. However, it was the 10% of the population that owned just about everything of value on the island. The descendants of those emigrants—most of whom live in South Florida—are capable of asserting Helms-Burton Act claims against virtually every foreign investor in Cuba.

[5] Non-U.S. nationals' claims (i.e. the claims of Cuban citizens) were not certified because U.S. nationality at the time of property loss was a requirement for filing a claim with the Foreign Claims Settlement Commission. This requirement has been consistently applied by the Commission, for example in claims against the People's Republic of China, Vietnam, Eastern European countries, etc. In point of fact, the U.S. had never given retroactive rights of U.S. citizenship to anyone, until it enacted the Helms-Burton Act.

[6] It is worth remark that few of these certified claims are, standing alone, of significant value. For example, the properties of only ten corporate claimants including electric and phone companies, two oil refineries, one nickel mine and five sugar producers—were ultimately certified to be worth a little over $1 billion out of the $1.6 billion in total corporate claims. My point is this, a resolution of the largest corporate claims against Cuba would effectively eliminate the claims issue as a potentially impeding factor in any future normalization of relations between Cuba and the U.S.

[7] For those who are interested, a detailed examination of the manyimplications for the U.S. of the Helms-Burton Act may be found in a recent article I have written, A Public International Law Critique of the Extraterritorial Jurisdiction of the Helms-Burton Act, (Cuban Liberty and Democratic Solidarity (Libertad) Act of 1996). 30 THE GEORGE WASHINGTON JOURNAL OF INTERNATIONAL LAW AND ECONOMICS, at pgs. 207–270.

to protect those investments. It is an obvious point—but one that bears emphasis—the United States will not be able to long successfully invoke international law on behalf of its citizens if it is itself in violation of an established tenet of that system of law, in this case the nationality of claims principle.

My second point concerning U.S. corporate claims against Cuba is how cavalierly those claimants were treated when Helms-Burton was enacted. The certified claimants were vocal and exact in their reasons for opposition to that legislation. It made no difference—it was enacted over their protests and warnings. It must be said that, regrettably, certain proponents of Helms-Burton used, with no legal foundation, the issue of property claims as a pretext for the advancement of a set of foreign policy objectives involving Cuba.[8]

Two years after enactment it is clear that Helms-Burton has not achieved its foreign policy objectives in Cuba. It is equally clear that the Act's cost to the United States, in terms of its relations with other countries, will prove considerable and have only begun to be realized. The question is, where do we go from here? As a first step the U.S. should alter the Helms-Burton Act to bring this country back into conformity with international law. Nothing less than the national interest requires that this be done.

I will conclude by saying that it is time that the U.S. government begin to promote a resolution with Cuba of the claims of U.S. citizens that are recognized in international law. Considering the circumstances and consequences of the enactment of Helms-Burton, it may be the least it should do with respect to the certified claimants.

Chairman CRANE. Thank you.

And our next witness is, and correct me if I'm mispronouncing, "Kavoolech?"

STATEMENT OF JOHN S. KAVULICH II, PRESIDENT, U.S.-CUBA TRADE AND ECONOMIC COUNCIL, INC.

Mr. KAVULICH. Kavulich.

Chairman CRANE. Kavulich.

Mr. KAVULICH. In October, you were correct.

Chairman CRANE. All right just checking because that's Serbian, right?

Mr. KAVULICH. Czechoslovakian.

Chairman CRANE. Oh. I was told that pronouncing that "ch" was Croatian.

Mr. KAVULICH [continuing]. It depends on where you are. But thank you, sir——

Chairman CRANE. In the case of the Serbian. Please go forward.

Mr. KAVULICH. Thank you, Mr. Chairman, Mr. Rangel, Members of the Subcommittee.

In 1994, an estimated 500 U.S. business executives visited Cuba. This year, an estimated 2,500 will visit, many from Illinois, California, New York, and Massachusetts. Expected to visit Cuba this

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[8] In other words, the argument that the legislation protected Cuban American "claims" to properties in Cuba served as a pretext for the creation of an effective blockade of foreign investment in Cuba, in order to collapse that country's economy and refashion its society. The real reason for extending, via Helms-Burton, U.S. protection to the claims of non-U.S. nationals at the time of property losses in Cuba was given by a Senate witness in 1995. According to that witness certified claimants "represent at most 5 percent of the productive properties in Cuba." He went on to say; "Including the Cuban Americans provides a much greater coverage of property and therefore creates a more limited pool of potential investments in Cuba. By limiting the scope of the properties available for investment, this bill would discourage foreign investment in Cuba. By limiting foreign investment in Cuba, the bill detrimentally impacts upon the regime's chances to prolong its stay in power and therefore the foreign policy objective is accomplished" Cuban Liberty and Democratic Solidarity Act: Hearings Before the Subcomm. On Western Hemisphere and Peace Corps Affairs of the Senate Comm. On Foreign Relations, 104th Cong. 128 (1995) (statement of Ignacio Sánchez). (Emphasis added).

year, are 100,000 individuals subject to U.S. law, 20,000 of which are expected to visit without reauthorization from the Treasury Department, an increase of 18 percent from 1997.

Within weeks of Helms-Burton becoming law, small- and medium-sized companies changed from seeking to conduct commercial activities to gathering information. Large companies changed from gathering information to seeking to conduct commercial activities. Since the visit of the Pope, there has been an exponential increase in the number of U.S. companies requesting information about Cuba.

The United States and Cuba are triangulating with the business community, taking unilateral actions, then creating value from the resultant bilateral effects of those unilateral actions. During the visit of the Pope, members of the U.S.-Cuba Trade and Economic Council provided approximately $100,000 in products and services—from aircraft to communications equipment, to carpeting. The Treasury Department issued licenses quickly, and the Ministry of Foreign Affairs of Cuba was efficient with their logistical support. The result was reported as positive in Washington, DC, and in Havana.

During the last 2 years, the Clinton administration has taken initiatives and responded to external pressures, resulting in expanded opportunities for U.S. companies, including the authorization of representatives of health care product companies to visit and to transport samples of their products; and the authorization for a company to organize a trade exhibition in Havana to promote the sale of medical equipment, medical instruments, medical supplies, medicated products, pharmaceuticals, and health care informational materials. The Cuban Government has agreed to hold this exhibition in January 1999.

Reportedly, there is an unannounced agreement with respect to overflights of the U.S. territory by Cuban air carriers. Cuba already permits overflights of its territory by U.S. air carriers. The Clinton administration has considered reactivation of direct mail service. Direct mail service, including package delivery services such as those provided by United Parcel Service and other companies, would reduce costs associated with transactions, sales, and donations currently authorized.

The Clinton administration has considered the authorization of regularly scheduled direct charter flights beginning next month in Newark, New Jersey, as well as from Miami, Florida, and perhaps other cities.

Last week, the Prensa Latina News Agency published a story that began with the words "Thanks to the Interests section in Havana." Unfiltered commercial information from Cuba is being provided on a more timely basis by an ever-increasing variety of sources. No longer is a company surprised to receive a facsimile or e-mail directly from Cuba. A member of the U.S.-Cuban Trade and Economic Council recently received an order, via facsimile, worth more than $100,000 for medical devices.

During the biannual meetings to discuss immigration issues, the Cuban delegation includes an immigration attorney who is also the negotiator for the asset claim settlements between Cuba and Canada, France, Spain, and other countries. Why, I asked an official

of the Ministry of Foreign Affairs, and I was told just in case the United States wishes to discuss the issue of decertified claimants, we are ready.

There remain, however, divisions amongst those who determine policy and those who implement policy, both in Washington, DC, and in Havana. Only during the last 8 months has there been a visible effort by the Departments of State, Treasury, and Commerce, which has made considerable progress, to make more accessible, more accurate, and more timely information and guidance regarding authorized commercial transactions.

The policy of the Clinton administration continues to shift from seeking a reason to say no to seeking a reason to say yes.

Some Cuban Communist Party officials, military officers, government officials, and company managers seem to prefer an incremental change in the commercial and economic relationship with the United States. These individuals would view substantial and immediate change in the overall commercial and economic relationship to be an effort by the United States to undermine the commercial and economic structures that currently exist within Cuba. One result could be Cuba erecting immediate barriers.

Cubans have one of the highest levels of awareness and preferences of U.S. product and service brand names, making Cuba an attractive export market of 11 million consumers, almost the same as the State of Illinois. The value of unrestricted United States-Cuba trade has been estimated to range from $3 to $7 billion. U.S. companies in the bulk food commodity sectors would find substantial opportunities in the short term, medium term, and long term. Cuba currently imports powdered milk, soy, corn, rice, wheat, cooking oil, and poultry, among other products. In 1997, Cuba's bulk food commodity imports totaled approximately $800 million.

U.S. health care companies would have marginal short-term opportunities due to the fact that Cuba currently has limited resources to import products, has existing product supply channels, which are often less expensive than similar products from the United States, and considerable resources have been spent during the last 6 years to develop domestic production capabilities, especially in pharmaceutical and limited-function medical equipment.

In the long term, Cuba's health care sector is a potential annual market of $500 million to $1 billion.

Thank you.

[The prepared statement follows:]

Statement of John S. Kavulich II, President, U.S.-Cuba Trade and Economic Council, Inc.

Mr. Chairman, Mr. Rangel, and members of the Subcommittee, thank you for the opportunity to appear before this hearing on "U.S. Economic and Trade Policy Toward Cuba."

In 1994, an estimated 500 United States business executives and representatives visited the Republic of Cuba. In 1995, an estimated 1,300 United States business executives and representatives visited the Republic of Cuba. In 1996, an estimated 1,500 United States business executives and representatives visited the Republic of Cuba. In 1997, an estimated 2,000 United States business executives and representatives visited the Republic of Cuba. In 1998, an estimated 2,500 United States business executives and representatives will visit the Republic of Cuba.

In total, perhaps 100,000 individuals subject to United States law will visit the Republic of Cuba in 1998—both with authorization and without authorization from the Office of Foreign Assets Control (OFAC) of the United States Department of the

Treasury. Most of these individuals will be of Cuban descent who reside within the United States and who are visiting relatives within the Republic of Cuba. An estimated 20,000 individuals subject to United States law are expected to visit the Republic of Cuba in 1998 without authorization.

Prior to "Helms-Burton" becoming law, interest toward the Republic of Cuba was primarily the domain of small and medium-sized United States companies who sent executives and representatives to the Republic of Cuba to obtain information and to learn what authorized commercial activities could be conducted immediately. Large United States companies gathered information about the Republic of Cuba, but generally did not seek to conduct commercial activities—even those authorized by the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury and by the Bureau of Export Administration (BXA) of the United States Department of Commerce.

Since March 1996, when President Clinton signed the "Helms-Burton" legislation into law, there have been two substantive changes with respect to the manner by which the interest of the United States business community toward the Republic of Cuba has been manifested.

Within weeks of "Helms-Burton" becoming law, small and medium-sized United States companies changed from seeking to conduct commercial activities to gathering information and large United States companies changed from gathering information to seeking to conduct commercial activities. Small and medium-sized companies believed that they would not be able to access the Republic of Cuba marketplace, without restriction, in the immediate future, so they refocused their limited resources. "Helms-Burton" caused large companies to believe that they would be able to access the Republic of Cuba marketplace, without restriction, in the immediate future. "Helms-Burton" created for large companies a justification to discuss publicly their interest toward the Republic of Cuba while simultaneously discussing their concerns about the use and effect of unilateral trade sanctions.

The basis of the justification was primarily due to provisions within the "Helms-Burton" law that were perceived by United States companies to be potentially harmful to their ability to operate in other countries and 1) no United States company with a claim certified by the Foreign Claims Settlement Commission in Washington, D.C., publicly lobbied on behalf of the "Helms-Burton" legislation 2) no United States company with a certified claim announced that it would seek to use remedies provided by the "Helms-Burton" law 3) United States company executives, including Mr. Dwayne Andreas of Archer Daniels Midland Company, Mr. Oscar Wyatt of The Coastal Corporation, Mr. Curtis Carlson of Carlson Companies, Mr. Ted Turner of Time Warmer, Mr. Donald Fites of Caterpillar, and Mr. James Perrella of Ingersoll-Rand among many others, permitted themselves to be quoted about their interest toward the Republic of Cuba; visited or had executives of their companies visit the Republic of Cuba; met with H.E. Dr. Fidel Castro Ruz, President of the Republic of Cuba; and provided funds to partisan and nonpartisan organizations focusing upon the Republic of Cuba 4) national business organizations opposed to the "Helms-Burton" law 5) the media opposed the "Helms-Burton" law and 6) President Clinton, although he signed the "Helms-Burton" legislation into law, was widely viewed, correctly as time would confirm, that he would implement provisions of the law with constraint instead of expansively.

Since the visit of the Pope to the Republic of Cuba in January 1998, there has been an exponential increase in the number of United States companies requesting information about the Republic of Cuba. The U.S.-Cuba Trade and Economic Council has not witnessed such a sustained increase in interest since the period June 1995 to February 1996. The U.S.-Cuba Trade and Economic Council has sustained a higher percentage increase in annual membership since "Helms-Burton" became law than during each of the previous two years.

The government of the United States and the government of the Republic of Cuba continue to triangulate with the United States business community. Each government is taking unilateral actions toward the United States business community, then creating value from the resultant bilateral effects of their unilateral actions. A recent example was the participation of the United States business community with the visit of the Pope to the Republic of Cuba in January 1998. Members of the U.S.-Cuba Trade and Economic Council provided approximately US$100,000.00 in products and services—from aircraft to communications equipment to carpeting. The Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury issued licences quickly and the Ministry of Foreign Affairs of the Republic of Cuba was efficient with their logistical support. The result was reported as positive in Washington, D.C., and in Havana.

During the last two years, the Clinton Administration has both taken initiatives and responded to external pressures, resulting in expanded opportunities for United

States companies—in terms of what can be done within the Republic of Cuba and the means by which to conduct transactions within the Republic of Cuba. The two most substantive changes have been 1) to authorize representatives of United States health care product companies to visit the Republic of Cuba and to transport, if desired, samples of their products. Members of the U.S.-Cuba Trade and Economic Council received the first of these licenses. 2) The authorization for a Connecticut-based company, which is a member of the U.S.-Cuba Trade and Economic Council, to organize a trade exhibition to be held in the Republic of Cuba, the purpose of which is to promote the sale of medical equipment, medical instruments, medical supplies, medicated products, pharmaceuticals, and healthcare informational materials. The government of the Republic of Cuba has agreed to hold this exhibition from 26 January 1999 to 30 January 1999. No earlier dates were available at locations within the city of Havana with the required quantity of space.

Reportedly, an agreement between the government of the Republic of Cuba and the government of the United States is expected to be announced soon with respect to overflights of United States territory by Republic of Cuba air carriers. The Republic of Cuba permits overflights of its territory by United States air carriers.

Reportedly, the Clinton Administration is considering the reactivation of direct mail service between the United States and the Republic of Cuba. Direct mail service, including package delivery services such as those provided by United Parcel Service and Federal Express, could reduce costs associated with commercial transactions (export sales and import sales of products and donations of products) currently authorized by the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury and the Bureau of Export Administration (BXA) of the United States Department of Commerce between United States companies and Republic of Cuba entities.

On 29 April 1998, the Republic of Cuba government-operated Prensa Latina News Agency, published a story that began with the words "Thanks to the United States Interests Section in Havana . . ." The occasion was the screening of the motion picture Amistad. California-based DreamWorks SKG had provided the motion picture to United States diplomatic missions in many countries. This was the first time in more than thirty-five years that the Republic of Cuba government-operated Cuban Institute of Art and Cinematography (ICAIC) and the United States Interests Section held a jointly-sponsored cultural event. The screening for Republic of Cuba nationals was at the Charlie Chaplin Theater in the city of Havana.

Commercial information from the Republic of Cuba requested by United States companies is being provided on a more timely basis by an ever-increasing variety of sources. No longer is a United States company surprised to receive a facsimile or E-mail directly from a Republic of Cuba government-operated company, joint venture, economic association, or non-Republic of Cuba-headquarterd company with an office within the Republic of Cuba.

A member of the U.S.-Cuba Trade and Economic Council recently received an order worth more than US$100,000.00 for medical devices. In November 1997, the company delivered product brochures. Executives of the company have received a license from the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury to visit the Republic of Cuba.

Washington, D.C.-based diplomats from the Cuban Interests Section are now traveling throughout the United States to meet with United States business executives with such frequency that they can benefit from membership in various United States airline frequent flyer programs.

The government of the Republic of Cuba's increased focus on commerce with English-speaking countries such as Canada and the United Kingdom, benefits United States companies. English-language publications include the ETECSA Telephone Directory, newspapers such as Negocios en Cuba and Opciones, magazines such as Business TIPS on Cuba and Acuarela de los Habanos, and the 302-page Directorio Turistico de Cuba.

When the government of the Republic of Cuba and the government of the United States have bi-annual meetings to discuss immigration issues, the Cuban delegation includes an attorney who, besides handling immigration, was the negotiator of the asset claim settlements between the Republic of Cuba and Canada, Spain, France, and other countries. Why does a dual-use attorney attend these meetings I asked an official of the Ministry of Foreign Affairs of the Republic of Cuba, "Just in case," I was told, "the United States wishes to discuss the issue of the certified claimants. We are ready." In a subsequent letter to me, the United States Department of State wrote that the United States government will negotiate the issue of the certified claims when the Cuban government makes a "serious" proposal. When asked to define "serious," the United States Department of State declined to provide such a definition because, I was informed, it might provide value to the Cuban government.

There remain, however, divisions amongst those who determine policy and those who implement policy—both in Washington, D.C., and in Havana.

Only during the last eight months has there been a visible effort by the United States Department of State, United States Department of the Treasury, and the United States Department of Commerce (which has made considerable progress) to make more accessible, more accurate, and more timely, the information and guidance provided to United States companies regarding authorized commercial transactions relating to the Republic of Cuba. The policy of the Clinton Administration continues to shift from seeking a reason to say "no" to seeking a reason to say "yes."

Discussions with Republic of Cuba Communist Party officials, officers in the military, government officials, and with government-operated company managers present a preference for an incremental change in the commercial and economic relationship with the United States. Some of these individuals would view substantial and immediate change in the overall commercial and economic relationship between the United States and the Republic of Cuba to be an effort by the United States to undermine the commercial and economic structures that currently exist within the Republic of Cuba. Any sudden and substantial change in the commercial and economic policies of the United States toward the Republic of Cuba could result in the Republic of Cuba erecting immediate barriers.

If the United States could not defeat the revolution in the 1960's with military action, if the United States could not defeat the revolution in the 1970's and 1980's with international pressure, if the United States could not defeat the revolution in the 1990's with laws, now the United States would be using business and tourism as weapons.

Why are small, medium, and large United States companies interested in the Republic of Cuba market? Because the Republic of Cuba has 11 million citizens. If the Republic of Cuba were a state within the United States, it would rank 7th in population—after the State of Illinois.

The Republic of Cuba is the largest Caribbean Sea-area country, larger than nearly all of the islands within the Caribbean Sea-area combined, and with nearly one-third of the combined populations. Nearly as large as the State of Pennsylvania and approximately as long as the State of Florida.

As of May 1998, the estimated value of announced investments within the Republic of Cuba by private sector companies and government-controlled companies from twenty-five countries is US$5.636 billion, of which US$1.756 billion is estimated to have been committed and/or delivered.

The citizens of the Republic of Cuba have one of the highest levels of awareness of United States product and service brand names of any non-English speaking country. The citizens of the Republic of Cuba have one of the highest levels of preferences for United States product and service brand names of any non-English speaking country. For a company to develop a new market, or redevelop a previous market, the two greatest cost components are a) the creation of brand awareness and b) the creation of brand preference. In the Republic of Cuba, these two significant cost components are reduced, thus making the Republic of Cuba an immensely attractive export market.

The value of unrestricted annual United States-Republic of Cuba trade has been estimated to range from US$3 billion to US$7 billion—with, perhaps, 70%, or US$2.1 billion to US$4.9 billion being exports from the United States to the Republic of Cuba.

According to the United States Department of Commerce, for each US$1 billion in United States exports, 20,000 new employment opportunities can be created. United States-Republic of Cuba trade could be responsible for creating perhaps 100,000 or more new jobs for United States citizens.

Unrestricted access of United States companies to the Republic of Cuba market would result, in less than four years time, of, perhaps, 80% or more of the Republic of Cuba's Gross Domestic Product resulting from its bilateral trade, financial services flow, and tourism with the United States. The Republic of Cuba will most certainly be the recipient of a Puerto Rico-type of favorable production and tax/tariff relationship with the United States. The Republic of Cuba's already established Free Trade Zones will become more attractive as their infrastructure develops and operational restrictions lessen. United States companies, especially those who seek relatively skilled labor for assembly operations, may find the Republic of Cuba to be a cost-effective production base. United States companies will not, however, find that the Republic of Cuba will have a low-cost labor force in the future. Today, The Republic of Cuba has an under-employment problem and as this situation is resolved, Republic of Cuba nationals will demand to be paid at a rate in comparison with the value of the product or service that they are employed to produce or provide. Republic of Cuba nationals are seeking and receiving U.S. Dollar bonuses from

Republic of Cuba government-operated companies as inducements to increase production.

United States companies in the bulk food commodity sectors would find substantive opportunities in the short term, medium term, and long term. The Republic of Cuba currently imports powered milk, soy, rice, wheat, cooking oil, and poultry among other products. In 1997, Republic of Cuba bulk food commodity imports totaled approximately US$800 million.

United States health care companies (medical equipment, medical instruments, medical supplies, medicated products, pharmaceuticals, and informational materials) would have marginal short term opportunities. This is due to 1) the Republic of Cuba's health care system has limited resources to import products on a cash-and-carry basis, if United States-based financing were available for such imported products, sales opportunities could be increased 2) the Republic of Cuba's health care system has current other country supply channels for products which, in a large number of instances, are less expensive than similar products from the United States 3) the Republic of Cuba's health care system has spent considerable resources during the last six years developing production capabilities, especially in pharmaceuticals and limited function medical equipment. In the long term, the Republic of Cuba's health care sector is a potential annual market of US$500 million to US$1 billion.

Thank you for this opportunity to appear before the Subcommittee on Trade of the Committee on Ways and Means of the United States House of Representatives.

Chairman CRANE. Thank you.

And our last distinguished witness is our former colleague, Michael Barnes.

STATEMENT OF HON. MICHAEL BARNES, PARTNER, HOGAN & HARTSON, L.L.P., AND FORMER MEMBER OF CONGRESS, ON BEHALF OF USA ENGAGE

Mr. BARNES. Thank you very much, Mr. Chairman.

I'm a partner in the law firm of Hogan and Hartson, and our firm has the privilege of serving as counsel to an organization called USA Engage. USA Engage is a group of business organizations and companies, now about 670 members, including the National Foreign Trade Council, the U.S. Chamber of Commerce, Grocery Manufacturers of America, the American Farm Bureau Federation, the National Association of Manufacturers, the National Grange, and, as I say, approximately 670 others that are involved in this organization.

Last year, Mr. Chairman, I had the privilege of participating in a delegation to Cuba organized by the U.S. Association of Former Members of Congress. Six of us went, three Republicans, three Democrats—a very wide spectrum of ideology. And I think we came back with a total consensus, a view, that U.S. policy with respect to Cuba needs to be reassessed and that we are likely—more likely to achieve the objectives of American policy, which is the democratization of Cuba, through engagement rather than continuing the 39-year effort to isolate Cuba.

We were struck by the tragic situation of the people of Cuba—their political persecution, the economic deprivation, the terrible social situation in that country. We were also quite surprised when we met with Cuban dissidents, the opposition to Castro, many of whom had spent many, many years in prison to learn from them that they felt that U.S. policy was counterproductive. A number of them referred to the Helms-Burton law as Helms-Burton-Castro because they argue that it facilitates Castro's objective to remain

in power and to continue the repression of the people of that country. And they urged us, as former, and at that time two current sitting Members of the House and one former Senator, to come back to Washington and urge a reassessment of American policy in order to promote more contact with the Cuban people and more engagement between the United States and Cuba.

Last week, I participated in a conference of the Inter-American Dialogue, and we heard a speech by Cardinal Bernard Law, from Boston, who accompanied the Pope on his historic visit to Cuba. Cardinal Law said in his remarks last weekend: "If there is going to be a significant change in Cuba, there must be a significant change in U.S. policy." And he went on to say that we should lift the ban on the export of food and medicine from the United States to Cuba and also that we should—and I quote him—"encourage travel to Cuba."

USA Engage believes that we are more likely as a nation to achieve our foreign policy objectives in Cuba by following the advice of the Pope, the advice of Cardinal Law, and the advice that I, as a former Member with five of our colleagues heard from the Cuban opposition when I was there last year, and that is to change our policy to promote interchange between the United States and Cuba, both on the commercial level and generally through the visits of American citizens. So I'm here today to encourage lifting the ban on the export of food and medicine to Cuba and also lifting the ban on travel by American citizens to Cuba.

Thank you, Mr. Chairman.

[The prepared statement follows:]

Statement of Hon. Michael Barnes, Partner, Hogan & Hartson, L.L.P., and Former Member of Congress, on Behalf of USA Engage

Mr. Chairman, thank you for the opportunity to appear before this Subcommittee to discuss U.S. economic and trade policy toward Cuba. I am here today on behalf of USA Engage, a coalition of 670 small and large businesses, agriculture groups, and trade associations working to seek alternatives to the proliferation of unilateral U.S. foreign policy sanctions and to promote the benefits of U.S. engagement abroad.

The time has come for serious reconsideration of U.S. policy toward Cuba. Our unilateral trade embargo is an outdated relic of the Cold War. In almost 40 years, the embargo has failed to bring about positive change in Cuba: the Castro regime remains brutally repressive and solidly in control. Our policies—particularly the Helms-Burton law—have given Castro a convenient excuse for the effects of his own failed economic policies. They have put America at odds with our closest allies. And in recent months, the U.S has been criticized by some of the leading international voices for human rights. That includes Pope John Paul II, who condemned the embargo as "unjust and ethically unjustifiable" during his recent visit to Cuba.

Cuba is rapidly approaching a crossroads. Castro cannot live forever, and a new government will take the reins in the near future. America has a vital interest in promoting a peaceful transition to freedom, democracy, and the rule of law. The problem is that the current embargo blocks off all avenues of American influence. To be ready when the inevitable change in government comes, we must now reopen the flow of American ideals and values into Cuba. We should start by reaching out directly to the Cuban people. The pending legislation to allow humanitarian sales of food and medicine is a good example. We can build on that by easing travel restrictions and allowing cultural, academic, and scientific exchange. Our best chance to help Cuba rejoin the international community is engagement at every level: political, diplomatic, economic, charitable, religious, educational, and cultural.

I would like to spend a few moments discussing the reasons that the time is right to re-evaluate our policy toward Cuba and then turn to the steps that we should take now.

First, the world has changed dramatically since we first imposed the embargo. Thirty-eight years ago, America had good reasons to try to isolate and contain Cuba. Soviet economic and military backing posed a direct threat to our national security.

Cuba was a foothold for communism in the Western Hemisphere. We feared that it would succeed in exporting Marxist ideals throughout the region. Strategic considerations virtually necessitated the embargo. Today, those considerations no longer exist. Within the past ten years, the Berlin Wall has come down and the Soviet Union has crumbled. Cuba no longer benefits from a massive Soviet subsidy. During the last twenty years, democracy has taken root in Latin America and South America. Cuba is politically isolated and economically ruined; it no longer poses a threat to our security or our neighbors. In short, we won the Cold War, and it is time to adjust our policies to a new era of international relations.

Second, Cuba itself is ripe for change. In December 1996, I was privileged to visit Cuba as member of a bipartisan delegation of current and former members of Congress. We met with Cuban citizens from every walk of life: ministers, bureaucrats, farmers, dissidents, church leaders, and rising young political leaders. The view from the ground lead us to make a unanimous recommendation that the United States should re-examine its Cuba policy.

That conclusion is even stronger in the wake of Pope John Paul II's visit to Cuba this year. The crowds that met him at every stop showed that the Cuban people are open to the outside world. They are ready to embrace new people, ideas, and information. The visit also sent a signal that the Cuban government—Castro himself—may be looking for a way to bring Cuba back within the community of nations. It remains to be seen whether Castro bends to Pope John Paul's call for an end to his repressive practices. Either way, the Pope's visit touched the Cuban people and may be a catalyst for change at the grass roots.

Third, the embargo simply has not worked. Cuba would appear to be an ideal case for unilateral sanctions. It is a vulnerable target: a small island country just 90 miles from our shores Yet after 38 years, it still appears that Castro will remain in power until death or infirmity removes him.

Ironically, far from removing or reforming the Castro government, the embargo has served as a convenient scapegoat. Year after year, the Cuban government has blamed the U.S. embargo for the poverty and depravation caused by its own failed policies. During the 1996 visit of former and current members of Congress, we were struck by the success of this ploy. It has instilled a defiant nationalism in the Cuban people. There is unmistakable pride among the ruling class in the country's ability to withstand the U.S. embargo. Ordinary Cubans share that pride, and even the dissident community does not support our policies. As the delegation's report stated:

> A policy to resist U.S. domination resonates in Cuba, although there is little ill will toward the United States, rather a general puzzlement about current policy toward Cuba. This attitude, articulated by officials, provincial workers, farmers, university students and others, is shared to an extent by the independent democrats and dissidents.

Fourth, the Castro Government successfully has exploited Helms-Burton to rally public opinion. One of the most striking features of Cuba's attitude toward the United States is the public reaction to Helms-Burton. We were impressed that the law is well known among ordinary Cuban citizens; far more so than in the United States. The high level of public awareness comes from a concerted propaganda campaign. Castro orchestrated public demonstrations against the law and staged national meetings to discuss its impact on the country. Of course, Helms-Burton is cited as proof that the U.S. wants to destroy Cuba. It has become an effective rallying point for the Cuban government. The exploitation of Helms-Burton has been so successful that several political dissidents we met referred to it as the "Helms-Burton-Castro Act."

Fifth, there are signs that international opinion is turning against the United States. From the beginning, the United States has stood alone on the embargo of Cuba. At first, that was necessary and appropriate. Today, we face an increased risk of isolating ourselves and losing our leadership role in the international community. Some of our closest friends and allies are moving toward increased engagement of Cuba. The Pope's visit and his direct appeal to the Cuban people is one example. The April visit of Canadian Prime Minister Jean Chretien is another. Castro effectively exploited both visits to show himself aligned with respected world leaders and to paint the United States as outside the international consensus. Friction with our closest allies over issues like Helms-Burton has been an equal boon to Castro. As you know, we narrowly avoided a WTO showdown with the European Union over that issue.

There also are signs that some human rights leaders are beginning to take a negative view of the embargo. This year, for the first time since 1992, the United Nations Human Rights Commission failed to pass a resolution condemning Cuba's human rights practices. Diplomats who reported to the Commission acknowledged

the brutality of the Cuban regime. At the same time, however, they criticized the U.S. embargo as contributing to intolerable conditions there. The Pope's criticism of the embargo is another example. If we are going to have any success in promoting democracy and freedom in Cuba, we need the support of our allies and the entire international community. As it stands, we are running the risk of losing that support and our leadership role.

Even within Cuba, democratic opponents of Castro question U.S. policies. The delegation of former and current members of Congress met with a group of political dissidents in Havana. The majority strongly opposed Helms-Burton. Many also questioned the utility of the embargo today. In contrast, the dissidents praised the European approach of both exploring economic opportunities and supporting the democratic movement. The Cuban dissidents called for an economic opening as the best catalyst for political change in Cuba.

For all of these reasons, the time has come for a more nuanced U.S. policy toward Cuba. To advance peace and freedom during the inevitable changes ahead, America must begin now to open channels of influence with the Cuban people. The report of the delegation of former members of congress put it this way:

> The time is ripe to look for opportunities to open up the country to people, ideas, and information. We need to play cards that will open the avenues to a peaceful transition. In the likelihood of a nomeklatura takeover after Castro, lacking the mystique of Castro, they will have to demonstrate their success in economic terms. As soon as the economy starts to move forward, the people will begin to become "economically enfranchised" and supply and demand pulls will start to shape domestic policy. The engagement by non-American Western investors, tourists and students will begin a process which could lead to the establishment of a civil society and a peaceful transition to not only an economic but also a political open society. This may take ten years, but it is an option than can be achieved with limited, if any, violence.

How do we restore the lines of communication? President Clinton's decision to allow increased family-to-family support and renewed direct charter flights to Cuba was a good first step. It restores an important link in the chain of physical and moral support between Cubans in this country and in Cuba. We should not underestimate the role that the Cuban-American community can play in helping to bring about peaceful change when Castro finally leaves power. Cubans in this country are the best messengers of American ideals to their friends and family members in Cuba. We should promote exchange between the two sides as much as possible. The President's earlier actions should now be followed by lifting the prohibition on travel by U.S. citizens to Cuba.

Allowing sales of food and medicines is an important second step. Congress should move quickly to pass the legislation proposed last year to allow humanitarian sales into Cuba. That simple change would undercut Castro's efforts to paint the U.S. as the root cause of Cuba's economic plight and point the blame back toward the Cuban government. It also will go far to restore our leadership standing on human rights in Cuba and establish closer alignment with internationally respected proponents of engagement including Pope John Paul II.

And we should consider future steps to facilitate a dialogue with the Cuban people. Encouraging academic and scientific exchanges would help foster direct communication. So would increased support for academic and scholarship programs. We also should begin to identify areas in which we have shared interests with Cuba. We then can explore the possibility of cooperation and collaboration. That has been the approach of the Inter-American Dialogue's Task Force on Cuba. Focusing on issues like the environment, the Task Force encourages changes that are necessary for Cuba to return to the inter-American community.

This past weekend I had the privilege of participating in a meeting of the Inter-American Dialogue. At that conference we heard from Cardinal Bernard Law of Boston who accompanied Pope John Paul II on his historic visit to Cuba. Cardinal Law said in his remarks: "If there is going to be a significant change in Cuba, there must be a significant change in U.S. policy." The Cardinal noted that the Catholic Bishops of Cuba after the visit of the Pope issued a formal statement that the Pope's visit "must not be an isolated event." He went on to say "we should lift the ban on food and medicine" and "we should encourage travel to Cuba."

Let me close by reiterating that it is in the interest of promoting change in Cuba that we should lift the ban on travel to Cuba. The American people are a powerful voice for the blessings of freedom and democracy. By allowing travel to Cuba, we would allow their message to reach the Cuban people and lay the foundation for future relations.

Mr. Chairman, I will happily respond to any questions you may have.

Chairman CRANE. Thank you.

I have a couple of questions here I'd like to throw out to the panel, and as many of you as wish, please respond.

First of all, what impact does Helms-Burton have on the willingness of foreign firms to establish U.S. subsidiaries, and thereby employ U.S. workers? Anybody have any thoughts?

Mr. BERRY. Could you repeat the question?

Chairman CRANE. Right. What impact does Helms-Burton have on the willingness of foreign firms to establish U.S. subsidiaries, and thereby employ U.S. workers?

Mr. BERRY. Well, Mr. Chairman, we did—in the study that we completed last fall. What we found in the survey of 42 companies was that—and it looked at specific sanctions measures, let's say, like title IV or title III or the export control laws or whatever—is that sanctions—what would happen is that the United States became a less attractive investment destination. And, therefore—and also we found that some of them rather than establishing new investments of new operations in the United States might do it in one of the NAFTA partner states. The—and the impact of specific sanctions, the first thing for foreign subsidiaries was that they would cut jobs. The second was that they would probably close existing operations. And the third is that they would relocate existing investment.

Chairman CRANE. What's been the experience of subsidiaries of U.S. firms overseas who are required, under U.S. law, to comply with the U.S. embargo on Cuba as well as blocking legislation enacted by our major trading partners which prohibit them from doing so?

Mr. BERRY. I'll take that question too if no one else does. What we—I had mentioned in my testimony the example of Wal-Mart and what happened in that case where the subsidiary was in the middle between both the U.S. Helms-Burton law and the Canadian blocking statute is they ended up abiding by Canadian law. That is a common practice, but it is really hard to know how most companies would line up on this because they don't want to talk about it.

Chairman CRANE. Do you believe that the enactment of the Helms-Burton legislation has succeeded in increasing the pressure on Castro's regime or do you believe that it has focused attention primarily on U.S. disputes with our major trading partners over sanctions policy?

Mr. O'LEARY. I think that question can be answered very straightforwardly. The results of Helms-Burton has simply been to deteriorate our relationships with our trading partners, and it has had no beneficial effect that can be measured in any substantive way.

Mr. BARNES. I would just add, Mr. Chairman, that what we see at USA Engage is the isolation of the United States. The objective of Helms-Burton was to isolate Cuba. But, in fact, it has rallied many in the international community to Cuba's defense, unfortunately. The objective of Helms-Burton was a good one: To remove the repressive regime in Cuba. But it seems unfortunately to have had the opposite effect. Part of the problem is that it's a unilateral sanction. We're all alone here. If there were—as the sanctions were on South Africa or Haiti or in some other instances—global sanctions, enacted by the United Nations and everybody got together and participated it would be a very, very different situation. But the United States is acting alone in this situation, and, in fact, pushing some of our friends in the international community into the Cuban orbit in a way that was never intended, clearly.

Mr. KAVULICH. Mr. Chairman, the Helms-Burton legislation or law has had an effect upon Cuba. It has increased their cost of borrowing. It has also caused some companies that were looking to do business there, whether it be import-export investor provider services, to reconsider. So it has had some effect. The Cuban Government has said it has. The question, though, remains has it had the effect that those who supported the Helms-Burton law said that it was intended to have. And at the end of the day, if memory serves me, those people who initially supported the Helms-Burton legislation said that its primary goal was to help resolve the issue of the certified claimants. And so, in answer to that question, I think my colleagues up here would agree that we haven't seen much movement there.

Mr. MUSE. I'm not sure I agree—that it was a rationale for the law to solve certified claims. We were vigorously opposed to it. And I don't want to disagree with my copanelist, but I don't recall that ever having been one of the bases of the law.

In fact, what it did was elevate a group of non-U.S. nationals to claimant status in order to try to create a blockade on foreign investment into Cuba to accomplish a set of foreign goals with respect to that island. But in doing so, it diminished American standing in the world by violating international law.

Mr. KAVULICH. Yes, I didn't mean to suggest that that was what it—what the people intended. I was saying that that's what the people who were supporting it said. I mean, that's what they were going around saying that this was for the benefit of the claimants. The claimants didn't support it.

Mr. O'LEARY. Mr. Chairman, in our statement that's been submitted for the record, we have undertaken a detailed analysis of the stated objectives of Helms-Burton and our observed consequences thereof, which would invite your attention. I won't bore you with repeating it.

Chairman CRANE. Thank you very much.

Mr. Neal.

Mr. NEAL. Thank you, Mr. Chairman.

Members of the panel, I think you were all here to hear the first panelists, including the Members of the House. How do you respond to the argument that they offered today that this isn't about economics, it's about human rights?

Mr. O'LEARY. Mr. Neal, in the first instance, we would fully agree. It is about human rights. And we are frankly embarrassed by the conduct of the United States in the punitive measures that we've imposed on 11 million people without having made one substantive step forward in what we say our goal is.

Mr. NEAL. The other panelists?

Mr. BARNES. I would agree with that. I think that we've tried for 39 years to—we've tried a certain policy for 39 years, to isolate Cuba, to impose an embargo. It's time to consider a different approach, one that, in the judgment of the 670 members of USA Engage, has more likelihood of success. I once heard Lek Walensza, the successful anticommunity freedom fighter in Poland, when he was asked what advice he would give to open up Cuba, and he said, "open up." He said a Communist regime cannot withstand openness. And if large numbers of American citizens—students, businesspeople, clergy, labor workers—all kinds of people were visiting a regime that's only 90 miles away, it would be very difficult for that Communist regime to keep the lid on.

We asked that very question—our congressional delegation—former Members asked that very question of the dissidents. Would the Castro regime be able to withstand a total influx of, you know, millions of Americans? It's only 90 miles away. It would be pretty easy to get there. They said it wouldn't last 6 months.

Mr. MUSE. I don't think the invocation of the phrase human rights ought to shield U.S. policy toward Cuba from an inquiry as to what its costs are to the nation at large, that is, to all U.S. citizens. What are the costs to the United States and the world, in terms of our relations with other nations? I don't think anyone disagrees that human rights is a goal worth pursuit. But it's the means whereby we pursue that goal that ought to be a subject of discussion.

Mr. O'LEARY. Mr. Neal, I would just add that in the years I've spent in business, it would be fair to say the American business community rarely has a single view on any subject. We are as diverse and divided, if you will, in opinions. On this particular subject, we just know of no substantive objection by any part of the business community to the position the Chamber has advanced on these issues. We have a failed policy. And we should get on with things which are in the interest of the Cuban and in the interest of the American economy.

Mr. NEAL. Mr. Barnes, based upon your visit and your experience, would you disagree with Mr. Menendez that the Pope's entree is similar in fact to what happened in Eastern Europe since you quoted Walensza?

Mr. BARNES. I wasn't there for the Pope's visit, but I've talked to a lot of people who were. And I heard last weekend from Cardinal Law, who was there with him, that the Pope's visit was an extraordinary experience for the hundreds and hundreds of thousands of Cubans who went out to hear him. The Cuban bishops issued a statement some weeks after the Pope's visit, saying that the Pope's visit should not be an isolated incident; that there needs to be an ongoing approach of other people coming to Cuba. They're clearly calling for engagement by the international community with

Cuba to follow up on the extraordinary visit, the historic visit of the Pope.

Mr. NEAL. Thank you. Thanks, Mr. Chairman.

Chairman CRANE. Do you have questions?

Mr. RANGEL. Yes.

What do you think we can do to organize the business community to speak out? I don't ever recall where so few people can support such a broad general foreign policy, as has happened with Helms-Burton. I was so glad to see the U.S. Chamber of Commerce come out at least partially. But there's something wrong when we don't hear on a regular basis American businessmen speaking out against something that is so un-American and so antibusiness.

Mr. O'LEARY. Well, Mr. Rangel, I accept your criticism, except I don't share your view. We have consistently pressed this case. We undertook every effort we could to demonstrate to the Congress that Helms-Burton was bad policy. It was misguided and it was counterproductive. I will be frank to say that 4 or 5 years ago, when we addressed ourselves with a comprehensive effort on these questions, a number of my business colleagues were unwilling to subject themselves to the sort of emotional allegations, which we observed earlier in this session. And quite frankly, what I now sense is—the conclusion is, enough is enough. Let's get on with it.

Mr. BARNES. Mr. Rangel, I have here a copy of a full-page ad that appeared in the Wall Street Journal just a few weeks ago, taken out by this organization, USA Engage—670 business organizations and companies. I won't read the whole thing, but I'll read just one little bit of it: "We believe the time is right to explore new initiatives to promote freedom in Cuba. As a first step, we urge that you publicly commit"—this is an open letter to President Clinton, Speaker Gingrich, and Majority Leader Lott—"that you publicly commit in the State of the Union Address and the Republican response to end the ban on the export of U.S. food as well as lift the restrictions on the sale of medical products. We would hope that this opening will produce further opportunities for improved relations. Leadership is something all Americans respect. We stand ready to support you in a new policy of engagement with Cuba. Sincerely."—and then the list of the principal organizations. So they're trying, and this kind of thing will continue from the business community.

Mr. RANGEL. Well, let me thank all of you for your continued engagement, and let's hope that the group gets stronger and more effective.

Chairman CRANE. I want to express appreciation to you all too for coming and testifying today. And with that, we shall introduce our next panel: Thomas Quigley, policy advisor, United States Catholic Conference; Silvia Wilhelm, executive director, Cuban Committee for Democracy; Craig Fuller, cochairman, Americans for Humanitarian Trade with Cuba; Brad Gary, member, board of directors, Medical Device Manufacturers Association; and Dan Gerdes, chairman of U.S. Wheat Associates.

And we will proceed in the order that I introduced you.

Mr. Quigley.

STATEMENT OF THOMAS E. QUIGLEY, POLICY ADVISOR, LATIN AMERICAN AND CARIBBEAN AFFAIRS, UNITED STATES CATHOLIC CONFERENCE

Mr. QUIGLEY. Thank you, Mr. Chairman.

My testimony will focus largely on the role and status of the Catholic Church in Cuba and the stated views of that church as they relate to the themes of these hearings. The prepared testimony reviews some of the recent history of that church, which may help provide a context for discussion of the sanctions policy.

Coming to the present, those who witnessed the tremendous outpouring of enthusiasm and active participation by hundreds of thousands of Cubans in the papal Masses might be excused for thinking that this is a strong, vibrant, confident community that has history clearly on its side. And they would be right up to a point. But it would be wrong to imagine that this community or its leadership could think of asserting the kind of independent action, even dissident activity, even if it were so inclined, that some here seem to think it should.

The potential for the Catholic Church in Cuba to further accelerate the already existing process of positive change is limited by at least two factors: The statistical reality of that church, that is, the very limited number of pastoral workers, whether clerical, religious, or lay, who are able to play a more active role in the larger society; and second, the inadequate degree of solid formation in the life and teachings of the church, especially with respect to its social teachings.

The Catholic Church in Cuba today is the largest single institution in that country completely free of control by the party; the religious body that has probably suffered the greatest persecution by the state over the past three decades; a church that is presently enjoying a high degree of cohesion, self confidence, and hope for the future; and yet a church that is largely deinstitutionalized and resource poor, especially in terms of personnel. The active church is a relatively small group of bishops. There are 13 at present. Priests—some 290 or so. Religious sisters—something over 530, and committed laypersons, some of whom who have lived through these nearly 40 years, but most who have known only the present government. These and the other numbers represent a great increase when one considers that, for most of the past three decades, there were, at any given time, about 200 priests and 200 religious sisters as contrasted with the roughly 800 priests and well over 2,000 sisters at the time of the revolution. But still a woefully inadequate number of church professionals, for over 4 million Catholics, never mind the 11 million-strong Cuban population.

In addition to the limited numbers, the debilitating effects of three decades of oppression and marginalization should not be ignored. In reading the recent social documents of the Cuban church, one is struck by the strong emphasis given the great need for formation of the church's social teaching. The concern for the human rights and dignity of every person, especially the poorest, is a recurring theme. In no way, however, should the growing numbers of Christian social activists be confused with the explicitly political dissidents who are the focus of attention of international human rights groups. And it would be a mistake to interpret the church's

strong defense of human rights activists as an endorsement of widespread dissidence or a call for active opposition to the present regime. It would not only be a mistake, but a very dangerous misinterpretation of how the church views its role in today's society.

The written testimony speaks of the church's view of this, including its mission to provide material assistance to the poor and needy and of the work of Caritas, the church's development and relief agency. Some in this country would apparently like to see Caritas assume a larger task in Cuba, such as overseeing the distribution of much greater amounts of donated food stuffs and medicines, or serving as end-use monitor for U.S. authorized sales of such. Caritas will do all it can to alleviate the very real sufferings experienced by many in Cuba today. But it has made clear that it will not and can not be harnessed to a political program, whether in support of or in opposition to the present government. And it has also made clear that its own institutional limitations make any rapid increase in its workload problematic.

Among other conditions, sanctions should be applied only after less coercive measures have been tried and failed. The harm caused by them should be proportionate to the goals sought. They should be temporary in nature, targeted against the aggressor and not directly against innocent civilians and should always be a part of a larger political and diplomatic effort to seek a peaceful resolution to the conflict.

Few will argue today that the U.S.-imposed embargo against Cuba meets these or other criteria. They have been in effect for an inordinately long time and apparently have achieved little of their intended effect and have almost certainly contributed to the worsening of the standard of living of the average Cuban citizen. What they have done, according to many analysts, is provide convenient cover for the regime by enabling every shortage of food, medicine, and other basic commodities to be blamed on the U.S. embargo.

In 1992, the Cuban bishops said that embargoes that affect the flow of products essential for the people, including food and medicines, "are morally unacceptable, are generally in violation of the principles of international law, and are always contrary to the values of the Gospel."

In conclusion, Mr. Chairman, the United States Catholic Conference urges Congress to take steps to end the present restrictions at least on the sale of food and medicines. Cuban people need access to such commodities without excessive prohibitions and restrictions. As Archbishop McCarrick said last January, "The present sociopolitical system, privileging those with power and ready access to hard currency but leaving great numbers of the poor with inadequate access to food and medicine, will not be changed overnight. The demands of elementary social justice, however, call upon us to do what we can to alleviate the suffering of the Cuban people, especially the poorest and most vulnerable. Ending the restrictions on the sale of food and medicines, as legislation currently in both Houses of Congress calls for, would be, in our view, a noble and needed humanitarian gesture and an expression of wise statesmanship on the part of our elected leaders."

Thank you, Mr. Chairman.

[The prepared statement follows:]

Statement of Thomas E. Quigley, Policy Advisor, Latin American and Caribbean Affairs, United States Catholic Conference

Thank you, Mr. Chairman, for the opportunity of presenting testimony on behalf of the United States Catholic Conference. My testimony will focus largely on the role and status of the Catholic Church in Cuba and the expressed views of that church as they relate to the themes of these hearings. Of the four focus points for the hearings listed in the Committee advisory, I will confine my comments to just two: the question of the impact on the Cuban people of the present United States policy, and the matter of humanitarian assistance to the Cuban people.

To do this, I would like first to relate to the current debate on U.S. sanctions and U.S. policy toward Cuba by noting something of the recent history of the Catholic Church in Cuba, a history that has seen its most dramatic moment in the visit of Pope John Paul II to the island nation last January. Some observations about that Church both before and following the Castro revolution may help to provide a context for this discussion.

THE CHURCH IN PRE-REVOLUTIONARY CUBA

In the years just prior to the 1959 accession to power of Fidel Castro, the Catholic Church had both great strengths and considerable weaknesses. Although the vast majority of the population was at least nominally Catholic, the number of clergy and religious ministering to the people was severely limited and, as in many other Latin American countries of the time, heavily dependent on personnel from abroad. However, by the early '50s, the various religious orders in the country were outstanding for their educational and social service activities. They not only conducted several hundred schools throughout the country but staffed over 250 charitable institutions, including 52 homes for the elderly, orphanages and hospitals.

Despite the strong participation of many active Catholics, including clergy and religious, in the efforts to overthrow the Batista dictatorship—bishops had called on Batista to resign and had initially welcomed what they hoped would be the re-establishment of democratic rule of law—relations between the Church and the new regime deteriorated very rapidly. The bishops early on protested the brutality of the hurried show trials and the immediate execution of many accused of criminal behavior during the Batista years, and increasingly found themselves forced to criticize, and eventually denounce, the excesses of certain laws imposed by the state as well as the growing influence of the communist party.

In May of 1961, just 37 years ago, following the disastrous Bay of Pigs invasion the previous month (during which Catholic schools, convents and rectories were occupied), all private schools in the country were definitively shut down and their properties expropriated. In September of that year, 131 priests and religious, including the auxiliary bishop of Havana, Mons. Eduardo Boza Masvidal, were rounded up and summarily expelled on the Spanish liner Covadonga. Much of the Catholic Church in Cuba was effectively shut down, and it was completely shut out of any participation in the life of the larger society. The Church was ostracized, denounced, ridiculed; media campaigns against the Church, and religion in general, became common. So-called scientific materialism, atheism, became part of the state-imposed curriculum in all the schools. To attend Mass, to have one's children baptized or confirmed, to have any open contact with the Church became dangerous, and consequently only small numbers of the most dedicated or courageous Catholics did so. Hundreds, then hundreds of thousands, left, taking with them much of the Church's most active membership. The Catholic Church was reduced to a shadow of its former self.

THE CHURCH IN CUBA TODAY

Those who, last January, witnessed the tremendous outpouring of enthusiasm by hundreds of thousands of Cubans and their full-throated participation in the public Masses celebrated by the Holy Father, might be excused for thinking that this is a strong, vibrant, confident community that has history clearly on its side. And they would be right, up to a point. But it would be wrong to imagine that this community, or its leadership, could think of asserting the kind of independent action and even dissident activity—even if it were inclined to do so—that some in the United States seem to believe it should. As U.S. policy makers contemplate the potential for this community, the Catholic Church in Cuba, to greatly accelerate the already existing process of positive change in Cuba, two factors should be kept in mind. One is the statistical reality of that church; i.e., the very limited number of pastoral workers, whether clerical, religious or lay, who are able to play the more active role in the larger society that some here seem to be calling for; the second is the inad-

equate degree of solid formation in the life and teachings of the Church that most of today's Catholic Cubans yet possess. This is especially true with respect to the social doctrine of the Church.

PROFILE OF THE CHURCH IN CUBA

What exactly do we understand by the Catholic Church in Cuba? It is, at one and the same time, the largest single institution in the country that is not under the control of the Communist Party; it is the religious institution that, with the possible exception of the much smaller Jehovah's Witnesses, has suffered the greatest persecution by the State and its officially sanctioned atheist ideology over the past three decades; it is a church that is presently enjoying—due in good measure to the papal visit—an unprecedented sense of cohesion, of self-confidence, of hope for the future; and yet it is a church that is largely de-institutionalized and relatively resource-poor, especially in terms of personnel. The active Church of Cuba is a relatively small group of bishops, priests, religious and committed laypersons, the last numbering at most some few hundreds of thousands, some of whom have lived through these nearly forty years, but most who have known only the present government, yet yearn as strongly as their elders for a different society.

These are the Cubans we are talking about when we ask if the Church can be a force for social change in Cuba. According to the generally accepted figures, some four million of Cuba's eleven million citizens may be considered at least nominal Catholics today. But this reasonably large number of what might be called cultural Catholics, while certainly disaffected by much of what has taken place under the present regime, confine their religious expression largely to the private sphere, to their devotion to God as represented, for example, in the image of the Sacred Heart of Jesus, which formed such a dramatic backdrop for the papal Mass in Havana, and to his mother under the essentially Cuban title of Our Lady of Charity of Cobre. Popular religiosity, a widespread phenomenon throughout most of Latin America, is not to be dismissed as unimportant to the ethos of a people, but neither is it easily harnessed in the cause of any particular social or political goal.

Within the eleven dioceses that make up the Church in Cuba, there are thirteen bishops, some 291 priests, divided roughly equally between diocesan clergy (144) and members of religious orders (147). (These figures are from January and so some of the new visas granted to foreign clergy and religious in the light of the papal visit may be now have pushed the figure over the 300 mark—the first time since 1961.) There are some 33 deacons, that is, members of the clergy but not priests; most if not all are married men. There are 26 religious brothers, non-ordained members of religious congregations or orders, and 24 members of secular institutes. And, of great importance, there are now some 538 religious sisters. This totals 925 "official" personnel of the Church in Cuba.

Quite an increase when one considers that for most of the past three decades, there were at any given time about 200 priests and 200 sisters, as contrasted with the roughly 800 priests and 2,000 sisters at the time of the revolution. But still a woefully inadequate number of church "professionals" for over four million Catholics, never mind the now eleven million-strong Cuban population.

Besides the numbers, country of origin is also a relevant factor, especially in today's Cuba. Of this total of 925 full-time church personnel, only 381—less than 40 %—are Cuban-born. For the clergy, the ratio is more equal, as virtually all of the diocesan priests (144) are Cuban-born, as are several of the religious priests (147), and recent years have seen a fairly dramatic up-tick in ordinations of Cuban seminarians, somewhat greater than the numbers lost to death or retirement.

The foreign-born pastoral workers, coming from 33 countries, representing the universal charity of the Church, are a great sign of international solidarity and provide—as they have done for generations—an immeasurably important service to the people of Cuba. But their "non-Cubanness," especially given the hyper-nationalism of the present regime, could potentially represent a problem. The recent decision of the Cuban government not to renew the visa of the American Capuchin, Fr. Patrick Sullivan, obliging him to leave the country at Eastertime, offers a telling illustration. No charges were, or could be, brought against him; but because his behavior was considered as not conforming sufficiently to what is tolerable for foreigners, he was invited to leave.

FORMATION OF THE CUBAN LAITY

In addition to the limited personnel resources of the Church, the debilitating effects of three decades of oppression and marginalization cannot be ignored. The reforms and renewal in the Catholic Church effected by the Second Vatican Council (1962–65), and the extraordinary meetings of the Latin American episcopates in

Medellín (1968) and Puebla (1979), were slow in penetrating the protective covering the Cuban authorities had thrown up around their island.

Cuba's bishops, priests and religious, of course, were fully attuned to these developments but their ability to convey them to the masses of the faithful was severely limited.

After the 1979 Third General Assembly of the Latin American Episcopates in Puebla, Mexico, the Cuban bishops determined to set in motion a process of ecclesial reflection and analysis that would result in a kind of "Puebla meeting" for the Church in Cuba. This event, called ENEC, the Cuban National Church Gathering (Encuentro Nacional Eclesial Cubano), took place in 1986. It was the first major church event of its kind since the Catholic Congress of 1961 and has been followed, most notably, by three national "social weeks," convened by the Cuban Justice and Peace Commission. The documents from these meetings offer an important window onto the social and political thinking of some of the most active members of the Church in Cuba.

One is struck, in reading them, of the strong emphasis given to the task of formation in the Church's social teachings, of the need to continue strengthening the work of formation at the level of the Christian base communities, of formation in solidarity, of building up the Christian community. The concern for the human rights and dignity of every person, especially for what are termed the "new poor, which exist in every society" is a recurring theme In no way, however, should these Christian activists be confused with the explicitly political dissident activists who are the focus of attention of international human rights groups.

Dissidents and the Church

Church leaders with whom I have spoken have the greatest respect for these individuals, many of whom have served long sentences in Cuba's jails for their dissident activity, often confined solely to their expressed opinions. These are the people the Pope spoke for in his moving remarks on the "world of suffering" at the leprosarium of San Lázaro: "These prisoners of conscience suffer an isolation and a penalty for something for which their own conscience does not condemn them. What they want is to participate actively in life with the opportunity to speak their mind with respect and tolerance. I encourage efforts to reinsert prisoners into society." It would be a mistake, however, to interpret the Church's strong defense of Cuba's human rights activists as an endorsement of widespread dissidence or a call for active opposition to the present regime. It would not only be a mistake but a very dangerous misinterpretation of how the Church views its role in today's society.

Since the mid-80s, the Church (as well as other sectors of the society) has enjoyed an increased freedom and ability to function more openly than in the previous decades. Except for the brief set-back in the early 90s, following the events in Eastern Europe, the dissolution of the Soviet Union and the subsequent "special period" of economic hardship, the "space" available to the Church has continued to widen. Large numbers of people throughout the island have been re-discovering their religious roots or approaching the churches for the first time—this is true for all religious bodies in Cuba—and it is once again acceptable for people to express their faith commitments openly.

The Role of Caritas

The Catholic Church repeatedly refers to its threefold mission in society: its liturgical function, that is, the freedom to worship God freely and openly; its charitable function, the right to provide material assistance to the poor and needy; and its prophetic function, that of proclaiming the Gospel in all its dimensions, including the denunciation of evil, including evil for which the state is responsible. Throughout the revolutionary period, the Church has enjoyed a relative freedom of worship; public processions and other religious expressions have been proscribed, but most of the churches have remained open. The once outstanding role of the Church in providing help to the poor and infirm had been greatly reduced until the early 1990s when the state welcomed the development of the Caritas offices in each of the nation's provinces. Caritas is the Church's development and relief agency and is part of a worldwide network of such agencies, many of which provide donations of food, medicine, building and other materials to Caritas Cubana, thus enabling the Church in Cuba to resume more of its traditional role in providing direct help to the needy. It is arguably the largest, completely independent non-governmental organization in Cuba today.

Some in this country would like to see Caritas assume a much greater role, perhaps oversee the distribution of large amounts of privately donated foodstuffs and medicines, or serve as an accepted end—use monitor for U.S. authorized sales of

such items. Caritas is prepared to do what it can to alleviate the very real sufferings experienced by many in Cuba today, but it has made clear that it will not and cannot be harnessed to a political program, whether in support of or in opposition to the present government. And it has also made clear that its own institutional limitations (there are barely 30 full-time Caritas workers throughout the island at present) make any rapid increase in its workload unlikely.

THE CHURCH AND ECONOMIC SANCTIONS

It is well known that the Church supports the imposition of sweeping embargoes only under very strict conditions. As aggressive acts, embargoes are required, in Catholic social teaching, to meet stringent requirements. Among other conditions, they should be applied only after less coercive measures have been tried and failed; the harm caused by sanctions should be proportionate to the goals sought; they should be temporary in nature, targeted against the aggressor and not directly against innocent civilians, and should always be part of a larger political and diplomatic effort to seek a peaceful resolution to the conflict.

Few will argue today that the U.S.-imposed embargo against Cuba meet these or other criteria. They have been in effect for an inordinately long time, they have apparently achieved little of their intended effect, and have almost certainly contributed to the worsening of the standard of living of the average Cuban citizen. What they have done, according to many analysts, is provide convenient cover for the regime by enabling every shortage of food, medicine and other basic commodities to be attributed to the United States "blockade."

In 1992, the Cuban bishops wrote: "Total embargoes that affect the flow of products essential for the people, including foods and medicines, indispensable for the population, are morally unacceptable, are generally in violation of the principles of international law, and are always contrary to the values of the Gospel." While the U.S. embargo may not qualify as a "total" embargo, its deleterious effect on the flow of goods essential for the people seems undeniable.

In their major pastoral letter of 1993, the bishops deplored "the sad experience of foreign interventions in our national affairs," both that of the Soviet bloc, the end of whose subsidies had by then become the major source of the "special period" of austerity, and that of the United States, whose "embargo, trade restrictions, isolation, threats and the like" continue to disadvantage the average Cuban. "We bishops of Cuba," they went on, "reject any kind of measure that, in order to punish the Cuban government, serves rather to aggravate the problems of our people." And following the passage of the 1996 "Libertad" Act (Helms-Burton), the bishops expressed their concern that the law runs the risk of "making even more difficult the likelihood of finding peaceful means to lead to the reconciliation of all Cubans."

Finally, as we know, the Holy Father twice made reference to economic sanctions during his visit to Cuba in January. Both instances placed equal if not greater criticism on similar limitations on people's freedom imposed by the Cuban government, but the sharp criticism of the U.S. sanctions was unmistakable. The Cuban bishops highlighted the point in their post-visit assessment: "In the same line of his social teaching, in referring to the restrictive economic measures imposed on Cuba from outside, [the Pope] called them clearly unjust and ethically unacceptable."

CONCLUSION

The U.S. Catholic Conference urges the Congress to take appropriate steps to end the present restrictions at least on the sale of food and medicines to Cuba. The Cuban people, as Archbishop Theodore McCarrick said in his January 30, 1998 "Statement on Cuba in the Light of the Papal Visit," need access to such commodities as food and medicine from abroad without excessive prohibitions and restrictions. "The present socio-political system," he wrote, "privileging those with power and ready access to hard currency but leaving great numbers of the poor with inadequate access to food and medicine, will not be changed overnight. The demands of elementary social justice, however, call upon us to do what we can to alleviate the suffering of the Cuban people, especially the poorest and most vulnerable. Ending the restrictions on the sale of food and medicines, as legislation currently in both Houses of the U.S. Congress calls for would be, in our view, a noble and needed humanitarian gesture and an expression of wise statesmanship on the part of our elected leaders."

Thank you, Mr. Chairman.

Chairman CRANE. Thank you, Mr. Quigley.
Ms. Wilhelm.

STATEMENT OF SILVIA WILHELM, EXECUTIVE DIRECTOR, CUBAN COMMITTEE FOR DEMOCRACY, MIAMI, FLORIDA

Ms. WILHELM. Before starting my remarks, I need to make a small but I think significant correction to a statement made by a Member of the Subcommittee a little while ago that there was no Cuban-American representation on the panel. Wilhelm, my last name, is nothing more than a result of 26 years of a wonderful marriage to a third-generation German-American. I am a Cuban-American from Miami and the executive director of the Miami and Washington-based Cuban Committee for Democracy.

First of all, I want to thank the Members of this Subcommittee for giving me the opportunity to speak not only on behalf of the organization I represent but also on behalf of thousands of Cuban-Americans who believe that a reevaluation of U.S. economic policy toward Cuba is long overdue.

The Cuban Committee for Democracy is a nonprofit organization that opposes the Castro government and believes that a peaceful, negotiated transition to democracy in Cuba could be better accomplished through constructive engagements rather than fruitless isolation that contributes to the misery of the Cuban people. We also believe that the major blame for the disastrous situation that Cuba faces today is a result of a failed internal economic and social policy. Yet, U.S. policy has provided the excuse that the Cuban Government has used to blame their problems on such an embargo. Isn't it time to make them accountable? However, the U.S. embargo of food and the de facto embargo of medicine is causing further deterioration and misery and should not continue to be enforced.

I left Cuba in January 1961; smuggled out of the country at the inception of the Pedro Pan Program which eventually provided escape for over 20,000 Cuban children whose parents believed that it was in their children's best interest to leave Cuba rather than to be raised under a Communist system. As most Cuban-Americans of my generation, I was supportive of the isolation policy of the United States toward Cuba and specifically the trade embargo on the island. But in 1994, I made a very difficult decision to visit relatives who had remained in Cuba and were experiencing tremendous economic hardship. My experience from that trip dramatically changed my opinion of U.S. policy and helped make my decision to actively work to modify such policy. Specifically, a policy that places restrictions on the sale of food and medicine to the Cuban people. I was haunted by the lack of proper nutrition; lack of basic vitamins and medicines; and the presence of significant parasite infection in the population which were affecting many of the people I met including members of my family.

My physician-husband accompanied me on my second trip to Cuba in 1996. We took the time to visit hospitals and witness the scarcity of medicines in Cuba. My uncle, an American trained physician who lives in Cuba, contracted cancer and shared with us the trouble he was having getting access to American-made x-ray film

and high-tech drugs to treat his deteriorating condition. Other American physicians who have visited the island have come back with similar observations.

I returned to Cuba last January as a member of a group of pilgrims led by a Cuban-American priest from Tampa to witness, along with the people of Cuba, the historic visit of His Holiness, John Paul II. Also traveling with the group was the president of the Cuban Committee for Democracy, Dr. Eliceo Perez Stable. We listened as he asked the Cuban Government to continue opening much needed spaces within Cuba so that human rights can be a reality. We heard him denounce the U.S. economic sanctions against Cuba as unethical and immoral and asked all Cubans in and out of Cuba to find ways of reconciliation. We witnessed a world religious leader, champion of human rights and a staunch anti-Communist crusader who recognizes that the best way to pave the way for a peaceful transition to democracy in Cuba is the way of engagement by responding to the slow movement of the Castro regime.

Following the Pope's admonition, open discussions within the Miami community as to how to bring about much needed reconciliation between the people of Cuba and those of the Diaspora have started to take place. The once accepted rhetoric of revenge is now giving way to a rhetoric of reconciliation. A day doesn't go by in Miami that I'm not approached by Cuban-American friends of mine who have disagreed with my views toward dealing with the Cuban dilemma and are now telling me they are planning their trip to Cuba this summer, this fall, next spring. The longstanding U.S. policy of economic sanctions against Cuba which at the time of inception was viewed as the most effective way to deal with the Communist threat posed by the Castro government has not brought about its original intent which was the overthrow of such government. The embargo has not worked.

The embargo of food and the de facto embargo of medicine are the only ones of its kind. Even current embargoes against Iran, Libya, and Iraq do not ban the sale of foods to those countries. Politics should never interfere with health and nutrition especially when the people are the most vulnerable. They are the ones who bear the brunt of such sanctions.

The United States has a longstanding record of supporting humanitarian causes. This record should continue in its dealings with Cuba. We wholeheartedly support the President's recent initiatives, but humanitarian support is not enough. Humanitarian aid addresses the few and not the many. It increases dependency in an era of market-driven forces. Cubans must learn the value of capitalistic trade and business practices and should not be dependent on the charity of the United States or their relatives abroad. This policy needs to be evaluated now.

Thank you, Mr. Chairman.

[The prepared statement follows:]

Statement of Silvia Wilhelm, Executive Director, Cuban Committee for Democracy, Miami, Florida

To the Honorable members of the Subcommittee on Trade of the Committee on Ways and Means, members of the press and general public gathered here today:

My name is Silvia Wilhelm. I am a Cuban American resident of Miami and the Executive Director of the Cuban Committee for Democracy. It is indeed an honor to have been invited to appear in front of you today as a witness on a hearing that will re-evaluate U.S. economic and trade policy toward Cuba. The Cuban Committee for Democracy, founded in 1993, is a non-profit organization of Cuban-Americans of all walks of life, including professionals, academics and entrepreneurs. We are opponents of the Castro government who believe in a peaceful, negotiated transition to democracy in Cuba. Like many Cuban Americans, we have had to confront the issue of the U.S. economic embargo. Our position has been and remains one that believes that the goal of promoting a democratic Cuba would be better served by constructive engagement rather than by fruitless isolation that contributes to the misery of the Cuba people.

In addition to representing the Cuban Committee for Democracy as its Executive Director, I am here to speak as a representative for the thousands of Cuban American exiles who make up the "silent" majority and who believe that a peaceful transition to democracy in Cuba is the appropriate resolution to the Cuban dilemma.

I left Cuba as a child in January of 1961 smuggled out of the country at the inception of the Pedro Pan program which eventually provided escape for over 20,000 Cuban children whose parents believed that for them to leave their country of birth was more important than their staying and living under a communist regime. As most Cuban-Americans of my generation, we left behind everything we owned but most important we left behind everything we loved. The next 33 years of my life were spent as an American citizen getting an education, marrying a native-born American physician, raising a family and becoming a business woman running my own company in the Miami area. Not unlike most Cuban Americans during this time I was supportive of the isolation policy of the United States towards Cuba.

In 1994, I made the very difficult decision to visit relatives in Cuba returning for the first time since 1961. My relatives had communicated their hardships and I wanted to witness them first-hand and help in whatever way was possible. What I experienced on that first visit changed dramatically my opinion of U.S. policy and helped make my decision to actively work to modify such policy, specifically a policy that places restrictions on the sale of food and medicines to the Cuban people. On this first of my three trips to Cuba, I was haunted by the lack of nutrition, lack of commonly available vitamins and medicines, and the presence of significant parasite infection in the population, conditions that were affecting even members of my family.

My nephews, who live in Centro Habana, a densely populated area of old Habana, with extremely poor water systems and dilapidated housing, all had contracted intestinal parasites. I had to bring with me the appropriate drugs from Miami to help them take care of the situation. One of their children, three years old at the time, was suffering not only from parasites but from vitamin deficiency and malnutrition. As I am sure all of you are aware, there are countless reports from agencies like the World Health Organization, the Pan American Health Organization, the New England Journal of Medicine and other scientific organizations that link the effects of the long-standing U.S. trade embargo to these conditions of malnutrition, vitamin deficiency and water bourne diseases due to severe water contamination in Cuba. I am not qualified to speak on that but I have witnessed these conditions in members of my family still remaining in Cuba.

I returned to Cuba in 1996 accompanied by my physician husband. Among other reasons, I returned to visit an uncle who is an American trained physician and who had elected to practice medicine in Cuba and now was suffering from cancer. During this visit my husband and I were able to experience first hand the scarcity of medicines and technology in Cuba. During a visit to a primary care facility in Pinar del Rio we noticed that due to the lack of appropriate medicines, herbal therapy was the main stay of treatment. Observations made during the treatment of my uncle for cancer showed that American technology, such as X-ray films, high-tech drugs and procedures were not available. Spare parts for American made medical equipment was nowhere to be found. The lack of these many times leads to less than optimal medical outcomes. My uncle had no qualms in blaming the U.S. embargo for the lack of these available drugs, technology and very needed equipment. In conversations with other American physicians who have also had an opportunity to visit Cuba similar observations have been made with confirmation of the negative impact on medical outcome. It was obvious to myself, my husband and my physician

uncle that the "de facto" embargo of U.S. technology and high tech drugs was having a negative impact on the health of the Cuban people.

As part of a group of Cuban Americans led by a Cuban American priest from the Tampa Bay Area, I returned last January to Cuba to witness along with the people of Cuba the historic visit of his Holiness Pope John Paul II. I listened to him as he exhorted all Cubans in and out of the island not to be afraid—afraid of changes currently occurring in the island for those inside it and afraid of engaging Cuba for those outside. I listened to him as he exhorted the Cuban government to continue opening spaces within Cuba so individual rights could be guaranteed, so that freedom of expression could be heard, so that freedom of association could one day become a reality. I heard him denounce the U.S. economic sanctions against the island as unethical and immoral. I witnessed the people of Cuba as they rejoiced with his visit and for one brief moment regained a long-lost sense of hope for the possibility of a better future. I witnessed a world religious leader, champion of human rights, anti-Communist crusader who recognized that the best way to pave the way for a peaceful transition to democracy in Cuba is the way of engagement by responding to the slow movements of the Castro regime. Who better than him to encourage such a policy? A man who witnessed his beloved Poland's reality at its time of change and now tries to understand the Cuban reality and impact it brilliantly.

On returning to Miami it was obvious that the Pope's historic visit to Cuba had raised questions within the Cuban American community as to whether a continued policy of isolation towards Cuba should still apply. It also stimulated open discussions within this community as to how to bring about much needed reconciliation between the people of Cuba and those in the Cuban Diaspora. Prior to the Pope's visit, a Florida International University poll had shown that 56 percent of Cuban Americans polled favored allowing companies to sell medicines to the island while 44 percent favored the sale of food. Yet a poll conducted by Univision following the recent measures of the Clinton administration to ease some of the sanctions, like streamlining procedures for the sale of medicine and medical supplies to Cuba, the approval of direct humanitarian flights to the island and the legalization of limited remittances from Cuban Americans to relatives in Cuba, 88% of Cuban Americans polled favored such measures. This is a direct indication that the Cuban American community is looking for other initiatives to deal with Cuba and that the once acceptable rhetoric of revenge is now a rhetoric of reconciliation. A day doesn't go by in Miami that I am not approached by Cuban American friends of mine who had disagreed with my views towards dealing with the Cuban dilemma and are now telling me they are planning their trip to Cuba this summer, this fall, next Spring. To use an unusual statement, "The Pope made it Kosher"

The U.S. policy of economic sanctions against Cuba, which at the time of inception was viewed as the most effective way for the United States to retaliate against Castro's totalitarian government and the threat this posed to the national security of this country in the context of cold war tactics has not brought about its desired goal which was the overthrow of the Cuban government even after 37 years after it was initiated. The embargo of food and the "de facto" embargo of medicine against Cuba are the only one of its kind, even current embargoes against Iran, Libya and Iraq do not ban the sale of food to those countries. There are nutritional deficits among the Cuban population which in the past have contributed to significant illnesses; water-bourned diseases abound hurting those most vulnerable, like the Cuban children. The lack of high powered drugs to combat cancer, lack of replacement parts for U.S. manufactured medical equipment, making medical diagnosis and treatment almost impossible, and the lack of films for X-ray machines are just a few of the U.S. patented products items Cubans lack. Even though we believe that the major blame for the disastrous situation that Cuba faces today is directly related to a failed economic and political system, there are serious questions as to the extent of the impact that the U.S. embargo places on an already beleaguered and suffering people.

Politics should never interfere with the health and nutrition of a people especially when the innocent are already subjected to the abuses of a totalitarian regime. These sanctions constitute in fact a war against a people not against a government. The people of Cuba are the ones that bear the brunt of the economic burden that these policies were designed to inflict. In addition, this policy has provided the excuse that the Cuban government has brilliantly used to blame all of Cuba's problems on the U.S. embargo of the island. Isn't it time to make them accountable? Isn't it time for them to have to recognize that the economic and social disasters they now face are on the most part manifestations of internal problems?

The United States has a long-standing record of supporting humanitarian causes. This record should continue and we wholeheartedly support the President's recent initiatives towards Cuba in this direction. But humanitarian support is not enough.

Humanitarian aid addresses the few and not the many. Humanitarian aid increases dependency in an era of market driven forces. Cubans must learn the value of capitalistic trade and business practices and not be dependent on the charity of the United States or their relatives abroad. The words of a Hindu proverb say it best, "If you ever see me hungry at the edge of a river, do not hand me a fish, teach me how to fish." Trade and aid will pave the way for the eventual democratization of Cuba. These changes have to occur now. The continued deterioration of Cuba's economic and social order will make the transition to democracy much harder and could leave the nation in a serious state of confusion and chaos in case of an abrupt change in leadership.

H.R. 1951, The Cuban Humanitarian Trade Act, gives Congress the opportunity to take the first steps in opening certain trade policies still in place and this change can help the Cuban people develop skills that will help them get ready to face a much needed Democracy, which in my opinion is inevitable. This is the way of the world as it approaches the 21st Century. Cuba must be inserted into this system and should not continue to be isolated by the most powerful and richest nation in the world.

Chairman CRANE. Thank you.

Mr. Fuller.

STATEMENT OF CRAIG L. FULLER, COCHAIRMAN, AMERICANS FOR HUMANITARIAN TRADE WITH CUBA

Mr. FULLER. Thank you very much, Mr. Chairman. I've submitted my statement for the record, and much of it has been touched upon, and I thought I might just speak a bit more informally with you for a few minutes.

It was my great privilege to spend 8 years in the White House with President Reagan and as Chief of Staff to Vice President Bush. During that time, we traveled, I think, if my count is right, to some 60 different countries. Many of those countries did not have a leader elected as we know "elected leaders." Many of those countries engaged in policies that were in conflict with our own human rights standards, but all of those countries including the Soviet Union which President Reagan called the evil empire, including China which had violated many principles of human rights and democracy that George Bush knew so well. All of those countries we engaged with, and through our engagement, both economic and diplomatic, we've seen changes occur that for those of us who came to this town in 1981 we would never have imagined in this hemisphere.

I come before you today, now, as a private citizen. Somebody asked me when I told them I'd be testifying before the Subcommittee, "Who's your client?" I said, "I have no client on this issue." Others said, "Well, then, what's your business interest?" And I said, "I'm an executive recruiter now. I have no conceivable business interest in this." I really come before you for sort of that old-fashioned reason: I simply believe what I'm advocating. I believe it's wrong for us to use, as a great Nation, food and medical supplies as tools to pursue a foreign policy change in Cuba, and what I discovered in the last several months, a year or so, is a great many other people share that view; people who have served in Republican administrations and esteemed Members of Congress in both the Republican and Democratic side: Frank Carluchi, Carla Hills, Malcom Wallop on part of our Americans for Humanitarian Trade with Cuba. Our cochairman is your esteemed former col-

league Sam Gibbons from Florida who shares this view, and the view is shared by a much wider group, many of whom you've heard today, but it is a compelling case. It brings together people from a variety of sides on this a fundamental issue that it's time to cease denying Cubans food and medical supplies from this country which they would like to purchase in order to pursue foreign policy objectives.

Now, I think we probably all share a common view of what we'd like to see happen in Cuba; that really is not the issue. If you do nothing, change is likely to occur, but it's likely to take a great deal of time. Sam Gibbons and I were in Cuba just a few months ago on a fully hosted visit, and if we had conviction before we went—and this was our first visit—our conviction was multiplied several times by visiting a children's hospital. Mr. Thomas, I guess, was asking earlier about the distribution system, and it's a fair question. The children's hospital is part of a state-owned entity and a state-owned complex, but the physicians there are very brave and courageous individuals who are fighting to save lives everyday, but it is shocking; it's embarrassing to go there and hear that they fight to keep leukemia patients alive because they can't get the medicines we have here to treat those patients or to go to the ward where the premature babies are in incubators and learn that of those incubators six are being cannibalized to keep the other six working so that they can save the lives of children. Why? Because they can't get a ready supply of parts from America to keep those incubators working, and if they get the parts, they get them through a third country at an extraordinarily high price. To be sure, the distribution system is not our system; it's not what we would ideally want, but, in fact, medical services are given to Cuban people free of charge. They don't have to pay dollars for medicine. They don't have to pay for medicine. The problem is if you're a child with asthma and you enter that hospital wheezing and having difficulty breathing, you may not be able to get the medication we could sell them from America because we simply won't allow it to be sold, and if they do get it, it, again, comes through a third country at a very, very high price.

We do hope that you'll address this one issue. I know there's many complicated issues facing Cuba, but we do hope that you will lend your support as so many of your colleagues to legislation that would relieve us of this embargo of food and medical supplies. Americans for Humanitarian Trade with Cuba is an organization that's growing everyday and is growing around the country everyday, and to Mr. Rangel's point, we certainly will continue to raise our voices in support of the legislation and in support of this policy.

Thank you very much.

[The prepared statement follows:]

Statement of Craig L. Fuller, Cochairman, Americans for Humanitarian Trade with Cuba

Chairman Crane and members of the Committee, thank you for this opportunity to present the views of a broad based, bipartisan citizens group called Americans for Humanitarian Trade with Cuba.

As a group, we support the immediate lifting of the US embargo on the sales of food and medicine to Cuba, as outlined in the legislation. We commend the committee for reviewing a wide range of issues concerning economic and trade relations with Cuba; however, my objective is to discuss the one vital element of our relation-

ship with Cuba which Americans for Humanitarian Trade with Cuba was formed to address.

You will surely hear from people having considerably more experience with US policy towards Cuba. My involvement has been a recent phenomenon sparked by a straightforward conviction that whatever rationale our policy of denying Cubans the opportunity to engage in trade with the United States for desperately needed food and medical supplies once had, that rationale simply does not exist any longer following the fall of the Soviet Union.

My conviction is based on the fundamental belief that we can gain far more through constructive engagement with Cuba, especially engagement that brings necessary food and medical supplies to those most in need. The fact that we deny children in Cuba the asthma medication they need for treatment or heart patients with pacemakers cannot be acceptable to fair minded rationale Americans. Thus, while a legitimate debate takes place over larger trade and economic policy questions between the United States and Cuba, I and the members of Americans for Humanitarian Trade with Cuba hope you will agree on the need to advance legislation lifting the embargo on trading food and medical supplies with Cuba.

Without going into a deep historical analysis, it is important to understand a few key points that seem to have been forgotten in recent debates about the sales of food and medicine to Cuba. Cuba's problem procuring food and medicine really began after 1992, when the Cuban Democracy Act cut off all trade between Cuba and US subsidiaries located in third countries. In 1991, that trade amounted to $719 million, 90% of which was food and medical products. The Cuban Democracy Act also mandated a shipping ban that meant any vessel that docked in Cuba, even ships delivering food and medicine, were banned from calling at a U.S. port for six moths. Many of you will remember that there was deep concern expressed here in Congress about the possible negative health impact such previously untested restrictions would imply. But the bill's co-sponsors argued that such admittedly draconian measures would be short-lived. They said that the then recent fall of the Soviet Union justified the toughest of measures, that the Cuban people would rise up against Castro and the regime would topple within six months. Six years later, we are still waiting. The point is, these inhumane measures, in the words of their own authors, were never meant to last this long.

You will find wide acceptance for this position. Among the groups supporting the lifting of the embargo against food and medical supplies are: the Catholic church; the National Council of Churches; Jewish leaders; the United Auto Workers; the National Health & Human Services Employees Union; the agricultural community; the US Chamber of Commerce and many individual organizations. Perhaps the members of our group we are most proud to have with us are Cuban Americans. More than 20,000 Cuban Americans from Miami alone have signed a petition supporting the legislation, and much more support is gathering nationwide everyday. Also significant is major human rights groups' endorsement of the food and medicine legislation, such as Human Rights Watch. These groups argue that the U.S. cannot justify calling for respect for human rights in Cuba while violating international human right accords itself by prohibiting the sale of food and medical products to Cuba. Attachments provide a list of our members and support groups.

And, significantly, the legislation is supported by Cubans (still living in Cuba)—the head of Caritas, the Catholic church's aid arm in Cuba, supports the legislation as do all of the Cuban Bishops. And even in official meetings in Cuba arranged by the U.S. interest section in Havana, political dissidents across the board express little enthusiasm for the embargo but deep support for measures that would free the sale of food and medicine to the island.

I firmly believe the reason for such widespread support is the recognition that continuing to deny the Cuban people the ability to purchase US medical supplies and food is doing nothing to further the foreign policy objectives of the United States.

It was my privilege to travel to over 60 countries while serving as a member of the White House staff during the Reagan Administration, including the four years I served as chief of staff to Vice President Bush. During that time, while I rarely saw embargoes work, I never saw a situation where we denied people the opportunity to purchase food and medical supplies. To take this virtually unprecedented step with a country just 90 miles from our shores is certainly, at the present time, wholly unwarranted.

My concerns and those of my co-chairman of Americans for Humanitarian Trade, former Congressman Sam Gibbons, are not just based on philosophical grounds. Earlier this year we traveled together to Cuba. We met with the physicians in a children's hospital in Havana. We learned that the hospital has hundreds of emergencies each week—the majority of the cases involve children with asthma. The

tragedy is that medication is readily available in the United States that can virtually eliminate the life threatening symptoms of asthma. However, the hospitals medical staff cannot get a reliable supply of the medications. Often, when they are available, they come at highly inflated prices through third countries.

At this same hospital we visited the ward where the premature infants are cared for. While there are modern incubators in the ward to care for these most vulnerable of infants, nearly half of the units are being cannibalized to keep the rest of the equipment working since spare parts are difficult to acquire.

I also was told of situations where Cubans awaiting heart surgery to receive a pacemaker had their surgeries postponed when American companies acquired the foreign manufacturer of the pacemaker and the life sustaining pacemaker and service arrangements were terminated with Cuba by the "new owner," an American company.

Since Americans for Humanitarian Trade with Cuba was launched, I have been encouraged by the wide support from a variety of people. Still, some people object, saying that Cuba only has Castro to blame for these conditions. We don't disagree, but putting children at risk in Cuba hardly seems to be a policy acceptable to Americans.

Some people suggest that humanitarian aid, not trade, is the desirable alternative. If we recognize the need for aid, why object to engaging in trade?

This view is supported by all major humanitarian aid groups currently sending donations to Cuba, such as Catholic Relief Services and Global Links of Philadelphia, all of whom support the sales of food and medicine. And, it is pointed out that companies can trade in medical supplies with permission from the State Department. However, this is at best an inefficient means of meeting the demands of 11 million people. But the reality is as described in the recent report by the Congressional Research Service finding that there really have been no significant sales to Cuba since the passage of the Cuban Democracy Act in 1992.

The passage of legislation allowing Americans to engage in the trade of food and medical supplies with Cuba, would show the Cuban people our humanity. Why not show the Cuban people we do care for those in their society who are most vulnerable. Maybe, just maybe, this may be the greatest challenge we could offer Fidel Castro.

Thank you for the opportunity to share my views.

Chairman CRANE. Thank you, Mr. Fuller.

Brad.

STATEMENT OF W. BRADFORD GARY, MEMBER, BOARD OF DIRECTORS, MEDICAL DEVICE MANUFACTURERS ASSOCIATION

Mr. GARY. Mr. Chairman, Mr. Rangel, my name is Brad Gary. I appear before you this afternoon as a member of the board of directors of the Medical Device Manufacturers Association. Joining me here is Steve Northrup, our executive director.

MDMA is a national trade association created in 1992 by a group of medical device company executives who believed that the innovators and entrepreneurs in the medical device industry did not have a distinct voice in Washington. The smaller companies in our industry, 80 percent of which have fewer than 50 employees, are the companies that oftentimes develop the most significant breakthroughs in medical device technology.

Our domestic medical device industry is the world leader in advanced medical technology. We produced equipment worth $65 billion in 1997. Of that, we exported nearly 14 billion dollars' worth of medical products and supplies to other countries. The largest companies in our industry have overseas manufacturing plants and international distribution networks. This enables those companies to do business with hospitals and health professionals worldwide.

On the other hand, there are smaller companies, less than $10 million in annual sales, that do not have the resources to compete on a global scale with these international conglomerates. Therefore, the possibility of expanded trade with Cuba, a nation of 11 million citizens just 90 miles offshore, intrigues the smaller companies of our industry.

On behalf of our association, I joined a delegation of business executives in March; we visited Cuba; met with a number of Ministers of Health and the Government Central Procurement Agency of MediCuba. This is the bureau that's actually responsible for acquiring medical products for hospitals, clinics, and physicians. Now, as you've heard from several witnesses today, Cuban health care facilities face a shortage of medical equipment and supplies. Although in our judgment, Cuban physicians are well trained by any international standard, they do not have the modern medical equipment and supplies necessary to treat effectively many disease states. Although the European equipment we saw in Cuba appeared to be of recent vintage, the U.S. medical equipment that we saw dated back to the fifties; truly museum quality. Cuban health care professionals are often forced to reuse common medical supplies, believe it or not, including surgical instruments and surgical gloves.

With few exceptions, the vast majority of Cuban people have not benefited, in our view, from the last four decades of American advances in therapeutic and diagnostic products. Although the Cuban Democracy Act of 1992 does permit export of medical products to Cuba, the act's requirements for special export licenses and the on-site verification of product use have essentially rendered this permission meaningless. In addition, the provision of the act that extended general prohibition on trade with Cuba to offshore subsidiaries of U.S. firms has given foreign firms—and by foreign firms, I mean especially European companies—a significant advantage in this important regional market. With regard to medical technology, our current trade policies toward Cuba are confused, contradictory, and hurt U.S. business interests in the region.

Now, our association commends President Clinton and the administration for announcing last month they will develop procedures to simplify and expedite licenses for the sale of medicines and medical equipment to Cuba. We eagerly await the details from the Department of Commerce and the Bureau of Export Administration. We hope that the process will be both simple and transparent for our members, most of which I have mentioned are truly small companies that do not have the resources to hire lawyers and lobbyists to press their cases in the halls of Congress or the Department of Commerce.

We recently tested the BXA system, and our conclusion is that the bureau needs to adopt a more user-friendly approach to smaller U.S. medical exporters. We called BXA and asked if a certain general class of product could receive an export license. We were told by BXA that we had to submit a full application before BXA could judge whether the product was eligible for licensure. The BXA staff either could not or would not judge the probable export status of the particular class of medical products. As the Department of Commerce and BXA develop guidelines for expedited licensure,

MDMA encourages Commerce and BXA to produce a clear outline of the requirements and restrictions on trade with Cuba. BXA should establish telephone contact numbers that will provide small business with real-time guidance on export licensure for this market.

In concluding our testimony, I want to suggest that U.S. trade with Cuba may also spark the struggling economies of the Commonwealth of Puerto Rico and the independent countries throughout the Caribbean, a matter to which this Subcommittee has devoted substantial attention. The Subcommittee knows well the economic difficulties in the Antilles region, particularly in the Dominican Republic, Haiti, and Jamaica.

Puerto Rico, for example, is facing an economic slowdown with the phaseout and eventual termination of section 936, a tax incentive often reviewed by this Committee. We have high unemployment in Puerto Rico, over 20 percent in the west of the island. The Puerto Rico "Twin Plant" proposal, so thoughtfully crafted by this Committee a number of years ago, unfortunately has fallen short of our hopes and expectations for a true regional linkage.

A limited medical market opening in Cuba might begin a positive, new economic force in the Caribbean region. At least, we should all analyze how a medical market opening will advantage our citizens and medical manufacturing capacity in Puerto Rico where we have so many medical products plants that are running at half capacity. Perhaps, the day will come when products manufactured in San Juan or Armagueros will make the short trip across the Windward Passage to the new medical market of Cuba.

Relaxation of the trade embargo against Cuba, a country with a population about the same as the State of Illinois, would truly encourage the renewal of the Puerto Rican economy. The effects of a revitalized Puerto Rico, in turn, could ripple through the economies of the Caribbean neighbors to the benefit of all.

On behalf of the Medical Device Manufacturers Association, I thank you for the opportunity to testify on our support for relaxing the restrictions on trade of medical technology.

Thank you, Mr. Chairman, Mr. Rangel.

[The prepared statement follows:]

Statement of W. Bradford Gary, Member, Board of Directors, Medical Device Manufacturers Association

Good afternoon, Mr. Chairman and members of the subcommittee, and thank you for the opportunity to testify on behalf of the Medical Device Manufacturers Association (MDMA) at today's hearing on U.S. economic and trade policy toward Cuba. I am Bradford Gary, a member of the board of directors of MDMA. I am also a member of the Potomac Research Group and a trustee of Caribbean Latin American Action. Joining me at the witness table is Stephen Northrup, executive director of MDMA.

I appear before you today to represent the views of the 130 members of MDMA. MDMA is a national trade association that was created in 1992 by a group of medical device company executives who believed that the innovators and entrepreneurs in the medical device industry needed a distinct voice in Washington. As you may know, the smaller companies in this industry, 80 percent of which have fewer than 50 employees, develop most of the significant breakthroughs in device technology. MDMA works to improve the quality of patient care by advocating policies that foster an environment in which these innovative companies can flourish and grow.

Our domestic medical device industry is the world leader in advanced medical technology, producing equipment worth $65 billion in 1997 and exporting nearly $14 billion worth of medical products and supplies to other countries. The largest compa-

nies in the industry have overseas manufacturing plants and international distribution networks that enable these companies to do business with hospitals and health professionals worldwide. On the other hand, MDMA member companies, the majority of which have less than $10 million in annual sales, do not have the same resources to compete on a global scale with these international conglomerates. Therefore, the possibility of expanded trade with Cuba, a nation of 11 million citizens just 40 miles from the shores of Florida, intrigues the smaller companies in our industry.

On behalf of MDMA, I joined a delegation of business executives who were invited by the Cuban government to visit Cuba and meet with President Fidel Castro and his top ministers. During our visit, we toured Cuban health care facilities and met with officials of the Ministry of Health and of MediCuba, the government bureau responsible for acquiring medical products for Cuban hospitals, clinics, and physicians.

We found that Cuban health care facilities face a severe shortage of medical equipment and supplies. Although Cuban physicians are well trained by international standards, they do not have the modern medical equipment and supplies necessary to treat effectively many diseases and conditions. Although the European equipment we saw on our tour seemed to be of recent vintage, the U.S. medical equipment dated back to the 1950s. Cuban health professionals are forced to re-use common medical supplies, including surgical gloves. With a few exceptions, the vast majority of the Cuban people have not benefited from the last four decades of American advances in therapeutic and diagnostic products.

Although the Cuban Democracy Act of 1992 permits exports of medical products to Cuba, the Act's requirements for special export licenses and the onsite verification of the products' use have essentially rendered this permission meaningless. In addition, the provision of the Act that extended the general prohibitions on trade with Cuba to offshore subsidiaries of U.S. firms has given foreign firms—primarily European companies—a significant advantage in this important regional market. With regard to medical technology, our current trade policies toward Cuba are confused and contradictory, which hurts U.S. business interests in the region.

MDMA commends President Clinton for announcing last month that his administration will develop procedures to simplify and expedite licenses for the sale of medicines and medical equipment to Cuba. We eagerly await the details from the Department of Commerce and its Bureau of Export Administration (BXA).

We hope that the process will be both simple and transparent for MDMA members, most of which, as I have mentioned, are small companies without the resources to hire lawyers and lobbyists to press their cases in the halls of Congress or the federal bureaucracies. Our recent "test" of the BXA system, however, suggests that the bureau needs to adopt a more "user-friendly" approach to smaller U.S. exporters.

We recently called BXA and asked if a certain general class of product could receive an export license. We were told by BXA that we had to submit a *full* application before BXA could judge whether the product was eligible for licensure. The BXA staff either could not or would not judge the probable export status of this particular class of medical products.

As the Department of Commerce and the BXA develop guidelines for an expedited licensure process for trade with Cuba, MDMA encourages Commerce and BXA to produce a clear outline of the requirements and restrictions on trade with Cuba. Commerce and BXA should also establish telephone contacts that will provide small businesses with "real-time" guidance on export licensure for this market.

In concluding our testimony, I want to suggest that U.S. trade with Cuba may also serve to spark the struggling economies of the commonwealth of Puerto Rico and the independent countries throughout the Caribbean. This subcommittee knows well the economic difficulties in the Antilles region, particularly in the Dominican Republic, Haiti, and Jamaica. Puerto Rico is facing high unemployment and an economic slowdown that is exacerbated by the phase-out and termination of the Section 936 tax incentive for businesses with manufacturing facilities on the island.

The relaxation of the trade embargo against Cuba, a country with a population nearly equal to that of Illinois, could encourage the renewal of the Puerto Rican economy. The effects of a revitalized Puerto Rico, in turn, could ripple through the economies of its Caribbean neighbors, to the benefit of both the Caribbean people and U.S. business.

On behalf of the Medical Device Manufacturers Association, I thank you for this opportunity to testify to our support for a relaxation of the restrictions on trade of medical technology, equipment and supplies with Cuba. We also commend you, Mr. Chairman, and your subcommittee for engaging in this thoughtful reconsideration of U.S. trade policy and its effects on both the Cuban people and U.S. business. I would be pleased to answer any questions you might have.

Chairman CRANE. Thank you, Brad.
Now, correct me if I'm mispronouncing it, Gerdes?
Mr. GERDES. Gerdes is correct.
Chairman CRANE. Gerdes. All right, Mr. Gerdes.

STATEMENT OF DAN GERDES, CHAIRMAN, U.S. WHEAT ASSOCIATES, NEMAHA COUNTY, NEBRASKA

Mr. GERDES. Mr. Chairman and Members of the Subcommittee, I, too, want to thank you for the opportunity to appear today. My name is Dan Gerdes, and I am a farmer. I operate a grain and livestock farm in southeast Nebraska where I farm 1,400 acres of wheat, corn, and soybeans. I also am the current chairman of the U.S. Wheat Associates, an organization that works to develop export markets on behalf of U.S. wheat farmers.

U.S. agriculture exports produce a large, favorable trade balance to the U.S. economy. In fiscal year 1997, the United States exported nearly $60 billion of agriculture goods which not only benefited agriculture producers but also the rest of the U.S. economy. Each year, the U.S. exports about half of the wheat grown in this country making the export market imperative for U.S. wheat farmers. Among the largest barriers to trade U.S. wheat farmers face today are the economic trade sanctions imposed by our government including that with Cuba which shuts U.S. wheat producers out of a strong potential market right in our own backyard.

According to the President's Export Council Report of January 1997, the United States maintains sanctions on 75 countries representing roughly 52 percent of the world's population. Unfortunately, these sanctions are proliferating. The United States has imposed sanctions for foreign policy purposes 100 times since World War II, and more than 60 of these have been imposed since 1993 at a time when the United States and the rest of the world have been touting a freer trading environment.

Several growing markets are closed to U.S. commercial wheat exports including Cuba, Iran, Libya, and North Korea. Wheat imports by these countries are expected to reach well over 7 million tons in the market year 1997/1998 representing 7 percent of our global wheat market. Adding Iraq—where our wheat is currently allowed only through the Oil for Food Program—to this list results in shutting the United States out of nearly 11 percent of the world wheat market, the largest percentage of global trade from which the United States has restricted itself since the 1980 wheat embargo with the Soviet Union.

Not only do sanctions keep wheat farmers out of important markets, but they also allow competitors to charge higher prices in these markets. They then use these higher margins to undercut us in other markets making it difficult for the United States to compete in countries even where we can freely trade.

Our steady customers also begin to wonder anew whether they can rely on the United States as a reliable supplier of their food needs. Cuba which has no commercial wheat production expects the import of approximately 900,000 tons of wheat in the 1997/

1998 year, primarily from the EU, Canada, and Argentina. This figure would likely be up to 1.5 tons if Cuba did not ration bread. By conservative estimates in the last 10 years alone, the United States lost out on wheat sales to Cuba of 3.5 million tons, valued at well over $500 million, and this is the real conservative estimate. Our exports could well have been much higher due to the tremendous freight advantage the United States has with Cuba.

The sanctions have been a disaster for U.S. wheat and for other agriculture exports while providing Castro with a ready excuse and a scapegoat for Cuba's economic problems. It is time to take another look at our Nation's flawed and failed unilateral sanctions policy. We understand the State Department is undertaking a review of U.S. sanctions policy and its value versus its cost. We would welcome a national dialog on the sanctions policy and its limits. We urge the administration to include plans for an automatic review of existing sanctions and their impact; a sunset clause for existing and future sanctions, and an annual report along the lines of the National Trade Estimates Report which outlines the cost of sanctions to the U.S. economy.

Wheat producers are as patriotic as any other Americans, but we do not want to needlessly sacrifice the opportunity to export our product. Time after time, our producers have been denied access to an export market, and the competition has stepped in to fill the gap. The embargo has not kept Cuba from the world marketplace. It has simply turned what logically should be a U.S. market over to the Canadians, the Europeans, and the Argentines. The denial of U.S. food exports has never changed a single country's behavior. Cuba is a perfect example of this reality.

In summary, history has shown us that the unilateral trade sanctions uniformly failed to achieve the desired results and instead hurt American businesses and farmers. For U.S. wheat farmers, the U.S. trade embargo with Cuba has meant hundreds of millions of dollars in lost sales opportunities. Meanwhile, Castro remains in place, our long-term embargo having done nothing to help a truly elected Cuban Government to come to power.

Thank you.

[The prepared statement follows:]

Statement of Dan Gerdes, Chairman, U.S. Wheat Associates, Nemaha County, Nebraska

Thank you for the opportunity to appear before the subcommittee today to speak about U.S. economic and trade policy toward Cuba. My name is Dan Gerdes, and I am a wheat farmer from Nebraska. I operate a grain and livestock farm in southeast Nebraska in Nemaha county, where I farm 1,400 acres of wheat, corn and soybeans. I also am the current chairman of U.S. Wheat Associates, an organization that works to develop export markets on behalf of U.S. wheat farmers.

The U.S. exports a substantial variety and volume of agricultural products, and our agricultural exports produce a large favorable trade balance to the U.S. economy. In fiscal year 1997, the U.S. exported nearly $60 billion of agricultural goods, which not only benefited agricultural producers, but also the rest of the U.S. economy. Each year, the U.S. exports about half of the wheat grown in this country, making the export market imperative for U.S. wheat farmers.

U.S. wheat producers face a variety of trade obstacles in the international marketplace. Changes in U.S. legislation and in the world marketplace in recent years, including agreements among trading nations to reduce export subsidies and eliminate trade barriers, have helped to reduce some of these obstacles. Given this environment, it is surprising and disturbing that among the largest barriers to trade U.S. wheat farmers face today are the economic trade sanctions imposed by our own gov-

ernment, including that with Cuba, which shuts U.S. wheat producers out of a strong potential market right in our own backyard.

According to the President's Export Council Report of January 1997, the U.S. maintains sanctions on 75 countries representing 52 percent of the worlds population. Unfortunately, these sanctions are proliferating. The U.S. has imposed sanctions for foreign policy purposes 100 times since World War II, and more than 60 of these sanctions have been imposed since 1993, at a time when the U.S. and the rest of the world have been touting a freer trading environment. With this proliferation, there is an equally strong sense that the U.S. economic costs of sanctions are significant. This is particularly true for wheat producers.

While the global import demand for wheat is expected to increase in 1997/98, U.S. export prospects have not improved by a commensurate amount because several growing markets are closed to commercial wheat exports, including Cuba, Iran, Libya and North Korea. Wheat imports by these countries are expected to reach 7.15 million tons in marketing year 1997/98, representing seven percent of the global wheat market. Adding Iraq, where our wheat is currently allowed only through the Oil for Food Program, to this list results in shutting the U.S. out of nearly 11 percent of the world wheat market, representing the largest percentage of global trade from which the U.S. has been restricted due to self-imposed trade restrictions since the 1980 wheat embargo with the Soviet Union. Not only do sanctions keep wheat farmers out of important markets, but they also allow our competitors to charge higher prices in these markets, using those higher margins to undercut us in other markets, making it difficult for the U.S. to compete in countries even where we can freely trade. Our steady customers also begin to wonder anew whether they can rely on the United States to be a reliable supplier of their food needs.

Cuba, which has no commercial wheat production, expects to import approximately 900,000 tons of wheat in 1997–98, primarily from the European Union, Canada and Argentina. This figure would likely be higher, up to 1.5 million tons, if Cuba did not ration bread, which it does due to a shortage of cash to pay for wheat imports.

Although the U.S. embargo with Cuba prohibits commercial food sales, it does allow for some limited donations for humanitarian reasons. In February of this year, U.S. Wheat Associates and the Kansas Wheat Commission donated 22,000 pounds of flour through a division of a Catholic Church humanitarian relief organization. The donated wheat flour was used for a variety of charitable purposes, including making bread for residents of a retirement home.

This relatively small donation is a drop in the bucket compared to the amount of wheat the U.S. could have sold to Cuba had the embargo not been in place. Estimating exact sales amounts is somewhat difficult. However, by conservative estimates in the last 10 years alone the U.S. lost out on wheat sales to Cuba of 3.5 million tons, valued at more than $500 million dollars. Our exports could well have been higher due to the tremendous freight advantage the U.S. has with Cuba.

Of course, none of these sales have been realized due to the continued trade embargo with Cuba, an embargo that was designed to try to bring about changes in Communist Cuba. Instead, Fidel Castro has ruled the country for nearly 40 years. Meanwhile, the sanctions have been a disaster for U.S. wheat and other agricultural exports, while providing Castro with a ready excuse and scapegoat for Cubas economic problems.

It is our understanding that the State Department is undertaking a review of U.S. sanctions policy and its value versus its costs. We have not seen any results of this analysis, but we welcome a national dialog on unilateral sanctions policy and its limits. We urge the administration to include plans in its sanctions analysis for an automatic review of existing sanctions and their impact, a sunset clause for existing and future sanctions, and an annual report along the lines of the National Trade Estimates Report, which outlines the costs to the U.S. economy of sanctions against certain countries.

Mr. Chairman, the Pope's recent visit to Cuba provides the opportunity and impetus to take another look at our Nation's flawed and failed unilateral sanctions policy.

Wheat producers are as patriotic as any other Americans, but we do not want to needlessly sacrifice the opportunity to export our product. Time after time our producers have been denied access to an export market, and the competition has stepped in to fill the gap. The embargo has not kept Cuba from the world marketplace; it has simply turned what logically should be a U.S. market over to the Canadians, the Europeans, the Argentines and the Aussies. The denial of U.S. wheat exports has not changed a single countrys behavior, and Cuba is a perfect example of this reality.

Cuba

Supply and Demand (1,000 Metric tons & U.S. Dollars)

	Production	Total Imports	Actual Imports From US	**Possible Imports from U.S. Lost	Total Consumption	Average Wheat Import Expenditures	***Possible U.S Sales Lost
1997	**0.0**	**900.0***	**0.0**	261*	**900.0***	**$153,000,000***	$44,370,000*
1996	**0.0**	**870.0**	**0.0**	243.6*	**870.0**	**$173,573,000**	$45,066,000*
1995	**0.0**	**726.0**	**0.0**	254.1*	**726.0**	**$146,220,000**	$44,634,480*
1994	**0.0**	**1,059.0**	**0.0**	349.5*	**1,059.0**	**$152,390,000**	$53,818,380*
1993	**0.0**	**1,083.0**	**0.0**	357.4*	**1,083.0**	**$129,751,000**	$40,385,070*
1992	**0.0**	**898.0**	**0.0**	323.3*	**898.0**	**$130,828,000**	$45,905,760*
1991	**0.0**	**1,097.0**	**0.0**	383.9*	**1,097.0**	**$164,568,200**	$56,824,600*
1990	**0.0**	**1,432.0**	**0.0**	358*	**1,432.0**	**$158,236,800**	$42,960,000*
1989	**0.0**	**1,228.0**	**0.0**	393*	**1,228.0**	**$193,063,500**	$64,838,400*
1988	**0.0**	**1,343.0**	**0.0**	483.5*	**1,343.0**	**$242,998,000**	$79,774,200*
							TOTAL $518,576,890

Marketing year = July - June (1997 = July 1997 - June 1998)

*these values are simple estimates

**calculated using U.S. average market share around the world, probably slightly conservative in the case of Cuba, due to the tremendous freight advantage and proximity to the U.S. Before the 1959 Cuban Revolutions, 68 percent of all Cuban trade was with the U.S.

***based on average FOB export price of U.S. wheat and world market share

In summary, history has shown us that unilateral trade sanctions uniformly fail to achieve the desired results, and instead hurt American businesses and farmers. For U.S. wheat farmers, the U.S. trade embargo with Cuba has meant hundreds of millions of dollars in lost sales, and also has hurt our ability to compete in other markets. Meanwhile, Castro remains in power, our long-term embargo having done nothing to help a freely-elected Cuban government come to power.

I appreciate the opportunity to address you today, and would be happy to answer any questions.

DAKOTA GOLD

NORTH DAKOTA WHEAT COMMISSION

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AMERICAN FARMERS NEED FREEDOM TO MARKET

Federal legislation has freed U.S. farmers to plant for the market. Now the government needs to make sure the markets are free.

Eleven percent of the world wheat market is off-limits to U.S. farmers due to trade sanctions. The United States currently restricts trade with Cuba, North Korea, Iran, Iraq and Libya.

In 1997-98, these five countries will import 380 million bushels of wheat — an amount greater than the average North Dakota crop. But American farmers won't sell that wheat; our competitors will. USDA's Foreign Agricultural Service says 11 percent is the largest share of global wheat trade that American farmers have lost to trade sanctions since the 1980 embargo on the former Soviet Union.

Trade sanctions may seem moral in concept, but in reality they hurt all of American agriculture. Trade sanctions result in the loss of the targeted market and mark the United States as an unreliable supplier.

Wheat Export Trade Education Committee Director Karen Fegley says other exporters take advantage of the reduced competition under an embargo by charging a higher price to sanctioned countries and, in turn, charging lower prices in markets where the United States still competes.

U.S. Wheat Associates and the National Association of Wheat Growers are supporting Senate Bill 1413, the "Enhancement of Trade, Security, and Human Rights through Sanctions Reform Act." The proposed legislation would ensure that Congress and the executive branch have a full accounting of the economic costs and benefits of sanctions. It would establish a sunset on sanctions and also give the Secretary of Agriculture authority to boost export promotion programs to offset losses from trade sanctions.

Portions of article sourced from the *Washington Wheat Commission Report.*

EMBARGOES HURT AMERICAN AGRICULTURE:

- **By reducing U.S. export sales and lowering prices.**
- **By eroding confidence in U.S. wheat producers as reliable suppliers and forcing buyers to find other sources.**
- **By giving countries a reason to produce more wheat as a means of self-sufficiency.**
- **By leaving empty shoes for competitors to fill with increased production.**
- **By failing to prevent the embargoed country from purchasing elsewhere.**

ITALY TAKES LEAD FROM N. AFRICA FOR U.S. DURUM IMPORTS

LIKE SPAGHETTI AND MEATBALLS, Italian pasta-makers and U.S. durum growers need each other.

With a smaller domestic durum crop, a booming pasta export business, and strong domestic consumption, Italy's pasta-makers need an increasingly more bountiful supply of high quality durum. North Dakota and U.S. Desert Southwest durum growers are happy to provide that supply.

Italy's imports of U.S. durum doubled in the 1996-97 marketing year and have continued to rise this year to 11 million bushels, accounting for a full third of the durum export market.

USDA's Foreign Agricultural Service estimates U.S. durum shipments to Italy in 1998-99 will be closer to 12 million bushels.

Checkoff programs have helped fuel this export growth. An Italian buyer attended wheat procurement courses at Fargo's Northern Crops Institute and now purchases most of Italy's durum imports.

Chairman CRANE. Thank you. How can we ensure that if U.S. policies change to allow the sale of food and medicine to Cuba without license from the U.S. Government, that it would not be intercepted by Castro and used for his own purposes by being sold or made available only to Communist Party elites and foreign visitors? Anyone?

Mr. FULLER. I'll take one crack at it. I think that's a very valid question. I guess when you go there and you see the commitment of the state-owned enterprises to providing health care to 11 million people on an island that's as long as California, you come away with the feeling that if they had the medical supplies and equipment and spare parts that we talked about, they would use them on behalf of their own people.

I don't know that you can make the decision on whether lifting the embargo of food and medical supplies has to require an assurance as to how Castro and his government would use this. We do not make that requirement of Saddam Hussein and we do some $700 million of trade with Iraq in food. I think the issue is to change a policy that is unprecedented, in my own view, inhumane; provide food and medical supplies for sale, and if the behavior is such after a period of time that we feel it's not warranted to continue it, change the policy, but I think withholding it is so unprecedented as a means of conducting foreign policy that it is time, after 38 or 39 years, to invest in a slightly different approach.

Chairman CRANE. So, if U.S. policies change to lift the embargo on the commercial sales of food and lift the restrictions on the sale of medicine and medical products, to what extent do Cubans have the resources to purchase these products?

Mr. FULLER. Mr. Chairman, I may not be the most experienced in this area, but my travels for 4 or 5 days, along with Sam Gibbons for some of that time, to a children's hospital; to medical clinics; talking to the Minister of Health, convinced me that the commitment on the part of the Cuban system is to provide free medical care to people whether they're in Havana; whether they're in the mountains; whether they're in the tourist areas, and while it's quite evident that there are ways for people to purchase—there always will be; those who can afford to pay some amount of money will get access to certain kinds of products—it would be the Cuban state system that would purchase the medical supplies and the food and make that available to the Cuban people. Again, I think that's something you'd have to monitor closely. Others here have had more experience with that.

Mr. QUIGLEY. Mr. Chairman, if I could go back to the previous question, I agree with Craig that it's a good one, and there is no way of assuring that absolutely nothing gets diverted to either military uses or health tourism or those other things that are said to be the major beneficiaries of aid coming in. But at least from the experience of the humanitarian aid that has been given specifically to Caritas through international church organizations around the world, particularly Catholic Relief Services here in this country, that has been fully monitored. There is not only end-use monitoring but monitoring all the way through; not to the last pill going

down somebody's gullet, that's impossible, but there is assurance that all of the medicines and medical equipment that has been given, designated for this particular clinic or that hospital, has, indeed, gone to those places. And it's 100 percent; not this myth that seems to be abroad about 80 percent being siphoned off by the government. In the case of the humanitarian aid provided to Caritas, 100 percent goes to the designated recipient.

Mr. FULLER. If I might just make a quick followup, before the restrictions were put in place by the Cuban Democracy Act in 1992, Cuba did purchase some $720 million, almost three-quarters of a billion dollars, from the United States; most of that, 90 percent of that, had to do with food and medical supplies, and I think it's important to think about the order of magnitude. We've heard from people who have a different view than those of us here. When they added up everything they could add up over 6 years, they said it amounted to $2 billion of humanitarian aid. Well, I think if you do the math, it's less than $2 a person of the 11 million per month over the 6 years. I think what we're suggesting is not that we stop humanitarian aid; the fact is the people that are providing the humanitarian aid and distributing it are supporting this legislation that would allow the sale of food and medical supplies. I think what we have to do is step up the order of magnitude several times in order to make sure we are reaching the Cuban people with the food and medical supplies they need.

Ms. WILHELM. Mr. Chairman, if I may continue along those lines. If, by lifting food and medicine, the Cuban people do not get access to food and medicine and if they are not able to buy because of the disastrous economic situation facing the country, I think you bring forward to the world the failures of the Castro government and prevent them from continuing the excuse of the embargo as the reason for all their failures. I think it is in the best interests of the United States.

Chairman CRANE. Good point.

Mr. Rangel.

Mr. RANGEL. Thank you, Mr. Chairman. Mr. Fuller, notwithstanding the high positions that you held in the executive branches of government recently, I gather that you didn't have too much input in our foreign policy, especially as it relates to Cuba.

Mr. FULLER. I think that's fair. My job was, in the first 4 years of the administration, the Assistant for Cabinet Affairs, although we did discuss Caribbean Basin Initiatives and various trade issues there; second 4 years was as Chief of Staff to Vice President Bush, but my principal responsibility was not related to the conduct of foreign policy as it pertains to Cuba.

I might also add that during the time, of course, the Soviet Union had not yet fallen, so the circumstances were quite different than what we have now.

Mr. RANGEL. I have followed this policy since I've been in Congress, and I have convinced myself that the embargo has been based more on Floridian domestic politics than trade and foreign policy. What are your impressions?

Mr. FULLER. Well, Mr. Rangel, I was involved in politics, and I have been to Florida a number of times on behalf of people seeking the Presidency, and I have had the chance to meet a great many

Floridians, most recently, was the short Presidential campaign of Governor Pete Wilson in Florida where we met with Cuban-Americans and heard their vehement objection to some of the kinds of things we've discussed here. My impression—and I'm sorry Mr. Shaw's not here to share with him—I think about a third of our executive committee on this coalition are Cuban-Americans. Some 20,000—as I think you were told earlier—Cuban-Americans have signed petitions supporting this legislation. As you also heard earlier by some other witnesses, the dissidents in Cuba, so-called dissidents, support this legislation. I fully respect the Chairman's comments about the efforts that were made to bring as many people together here, and I commend you for that. I think that we're seeing a change in Florida, a political change. I think Cuban-Americans of all generations, particularly the younger generation, are beginning to ask what this policy has accomplished and achieved, and why are we forced to adhere to it?

Mr. RANGEL. But you would agree that Miami had more influence on us than Havana.

Mr. FULLER. I think that's fair.

Mr. RANGEL. And was Bernie Aaronson the Assistant Secretary of State when you were there?

Mr. FULLER. During some of the time, yes.

Mr. RANGEL. Would you believe he asked me to support the administration in fighting Torricelli on the floor?

Mr. FULLER. Well, this is an unusual issue, I guess, in that regard.

Mr. RANGEL. And then candidate Clinton changed his mind and supported Torricelli in Miami, and then all of a sudden Bush supported Torricelli in Washington; strange. But, anyway—who's the cochair of your group, because I was so proud to be with them when they had their press conference with General Shannon and Sam Gibbons and so many outstanding Americans, nuns and priests? Who cochairs this group?

Mr. FULLER. It is former Congressman Sam Gibbons from Florida.

Mr. RANGEL. He's the cochair?

Mr. FULLER. Yes.

Mr. RANGEL. And are you based in Washington?

Mr. FULLER. We are based in Washington, yes. And, actually, supported and housed in the U.S. Chamber of Commerce.

Mr. RANGEL. Where?

Mr. FULLER. The U.S. Chamber of Commerce.

Mr. RANGEL. Very good. Ms. Wilhelm, what group was that? The Cuban-American——

Ms. WILHELM. Cuban Committee for Democracy.

Mr. RANGEL. No, no, no, no, no, no, no, no, no. It was a group that Jorge MasConosa headed when he was alive, the Cuban-American——

Ms. WILHELM. National Foundation.

Mr. RANGEL. National Foundation. Since he's left us, is that foundation as strong politically, in your opinion, in Miami as it was before?

Ms. WILHELM. Well, Jorge MasConosa was an incredible leader, and when he died he left an incredible vacuum as most incredible

leaders do, and no, I would say that the foundation is nowhere as powerful and as noticeable as they were in the past.

Mr. RANGEL. It seemed like every time he visited the White House for a matter with the President, the embargo became stronger. I don't know what message he brought from Miami, but he was a very influential man.

Ms. WILHELM. He obviously brought a very convincing message.

Mr. RANGEL. And whoever was in office, it seemed like they could almost depend on political support coming out of Miami.

Ms. WILHELM. Could you repeat the question, I'm sorry.

Mr. RANGEL. I said, no matter who the President was, after a visit with Jorge MasConosa, it would seem like they could always depend on the Cuban-American National Foundation for strong political support.

Ms. WILHELM. I'm sure they could.

Mr. RANGEL. Mr. Quigley, you're counsel to my church, so maybe I won't get involved in any sinful trouble, because you can't pray against me like Cardinal O'Connor can, so——

Mr. QUIGLEY. But he could absolve you and I can't. [Laughter.]

Mr. RANGEL. Yes, well, I'm waiting for that day to come, but I tell you, having been with him in Cuba with the Pope and seeing the excitement of the Roman Catholic Church from bishops and priests and nuns, I don't think in life I will see anything closer to a religious crusade where people who, whether they were Catholic or Protestant or nonbelievers, because even the Communist driver that we had said that he believed in something he couldn't describe, were just taken up by what has happened. I always knew that the National Council of Bishops had that position against the embargo, and the Catholic Conference would have that position, and I suspected that Cardinal O'Connor did, and then it became abundantly clear that His Holiness had spoken on this issue. How does that work in the local parish et al.? How does that message ever get down there, because we get quite a few political messages on a variety of legislative and foreign policy subjects here from our priest, and they are welcome, but on this, I just didn't know, after the Pope speaks—I know when the National Council of Bishops speaks, that doesn't necessarily speak for the church locally, right?

Mr. QUIGLEY. It speaks for the bishops, and the bishops are the basic teachers in the church, but not every Catholic, obviously, follows everything that the bishops say. When Archbishop McCarrick, for example, current chairman of the Committee for International Policy, issues a statement for the conference, he is representing the entire Episcopal Conference; that is to say, the bishops' structure. How it gets translated to the local parish is with great difficulty. As you well know, there's no simple button to push to help things get down there, so it's a question of a lot of effort to communicate in various ways: Through the media, and so forth. Rarely, though, will one hear a homily during the Sunday Mass on a foreign policy issue. That just isn't the function of the homily in Catholic worship. So, it's a matter of just simply trying to affect public opinion wherever one can.

Mr. RANGEL. But when the Cardinal speaks, isn't that more a mandate to the local priests whether we deal with Haiti's foreign

policy, as opposed to when the National Council of Catholic Bishops speaks? Would not the Cardinal's message be more of a mandate?

Mr. QUIGLEY. I don't know about a mandate, Mr. Rangel. The Cardinal, Cardinal O'Connor speaks for the Archdiocese of New York, and he is——

Mr. RANGEL. I meant for the priests within the archdiocese.

Mr. QUIGLEY. Within the archdiocese but also the bishop of a much smaller, less important diocese speaks similarly for that diocese. Obviously, Cardinal O'Connor, Cardinal Law, and other very prominent churchpersons have a higher visibility, and so their voices may carry much further than that of other local bishops. But at all times, mentioning those two distinguished prelates, there has been a consistent coherence with the policy of the Bishop's Conference, especially on the Cuba issue, as on other issues as well. Cardinal O'Connor was formerly chairman of the same committee that Archbishop McCarrick presently chairs.

Mr. RANGEL. Well, we rely heavily on the thoughts of the National Council of Bishops and, of course, on old, moral, and social grounds, the nuns really have provided a lot of leadership for the church historically, and they seem even to be more excited about this issue. Today was a great day for all of us that had the privilege to have been with the Pope and the Cardinal, and we thank you for the great work that you've done, and we just have to continue to fight, and maybe after November, we'll be able to take another look at this.

Thank you.

Chairman CRANE. And I want to thank all of you witnesses for your testimony. We appreciate it. And that concludes this panel, and, now, I would like to invite up our final panel for the day: Hon. William Paparian, city council member, Pasadena, California; David Cibrian, partner, Jenkens & Gilchrist; Philip Peters, senior fellow, Alexis de Tocqueville Institution, and Ernest Preeg, William M. Scholl Chair in International Business, Center for Strategic and International Studies.

All right. We will proceed in the order I introduced you.

Mr. Paparian.

STATEMENT OF HON. WILLIAM M. PAPARIAN, COUNCIL MEMBER, PASADENA, CALIFORNIA

Mr. PAPARIAN. Mr. Chairman, I am the immediate past mayor of Pasadena, California and a current council member. I've traveled to Cuba six times since July 1996, and I returned from my most recent trip on April 17. Most of these trips were for the purpose of coordinating the Cuba Relief Project of Operation USA, an 18-year-old international relief agency which was preparing the first of many shipments to Cuba of medical supplies and equipment. During my trips, I was provided with extensive briefings on the current status of humanitarian assistance from the United States to Cuba. In February, I toured the three pediatric hospitals in Havana which will be the recipients of the Operation USA shipments and met with their directors and medical staff.

My comments today are not on behalf of the city of Pasadena nor on behalf of Operation USA but rather express the outrage of one American citizen over the use of food and medicine as an instru-

ment of foreign policy. The embargo on Cuba is counterproductive and immoral. It's time to lift it. Solid medical studies, as you heard earlier today, that were released in 1997, demonstrate, clearly, that a health crisis is deepening in Cuba and explain how the U.S. embargo contributes to the situation.

The religious community has long decried the embargo's effect on the health, welfare, and, indeed, the individual freedoms of Cubans, particularly, since the denial of food and medicine violates many of the international human rights covenants to which our country is a party. These groups have long contended that the embargo, which is an act under international norms considered one of war, exacerbates political oppression in Cuba by keeping the government in a constant national security alert.

Now, opponents say, as you've heard, won't the Cuban Government just divert food and medicine to so-called medical tourism? How can we be sure that these goods will really get to the Cuban people? That argument is patently absurd. As long as the embargo on food and the de facto embargo on medicines is around, the finger of blame for the growing health crisis in Cuba will continue to point at the United States. If we sell food and medicine to Cuba and then the Cuban Government diverts those goods away from the Cuban people, then the Cuban Government, and not the United States, will deserve the blame. We cannot control what the Cuban Government does, but we can act with moral decency ourselves.

The State Department says, "What about all the humanitarian aid the United States sends, apparently more than any other country? Doesn't that show support for the Cuban people?" Mr. Chairman, charity is no substitute for trade. I believe that life-sustaining U.S. goods, particularly patented U.S. medical products should be available for purchase to any country that needs them.

The embargo on Cuba plays absolutely no foreign policy role. It is a relic of the cold war that reflects solely domestic policy concerns. For some years now, the embargo has been nothing but a political bone thrown to the most extremist factions of the Florida community. There can be no moral justification for this obsolete, misguided, and illegal policy that denies Cuban citizens basic needs.

For our country to continue to deny this one group of people the food and medicines that are needed to sustain life achieves nothing. Forty years of the strongest embargo in our history has resulted in an increase in the suffering of the people of Cuba while making no change whatsoever in the political makeup of the Cuban Government. The American people can no longer support a policy carried out in our name which causes suffering of the most vulnerable: Women, children, and the elderly. That is why I support any and all efforts to lift the restrictions on the sale of food, medicines, and medical supplies to Cuba.

Thank you, Mr. Chairman.

[The prepared statement follows:]

Statement of Hon. William M. Paparian, Council Member, Pasadena, California

I am the immediate past Mayor of Pasadena, California and a current Councilmember. I have traveled to Cuba six times since July of 1996 and returned from my most recent trip on April 17th. Most of these trips were for the purpose of coordinating the Cuba Relief Project of Operation U.S.A., an 18 year old international relief agency which is preparing the first of many shipments to Cuba of medical supplies and equipment.

During my trips I was provided with extensive briefings on the current status of humanitarian assistance from the U.S. to Cuba in meetings with Enrique Commendario Hernandez, First Deputy Minister of the Cuban Health Ministry; Dagmar Gonzalez Grau, Director of Aid and Development Assistance for the Cuban Ministry of External Assistance and Economic Cooperation; and Dr. Noemi Gorrin Castellanos, Medical Coordinator of the Cuban Council of Churches who coordinates all Protestant churches' reception of medical aid.

In February I toured the three pediatric hospitals in Havana which will be the recipients of the Operation U.S.A. shipments and met with their directors and medical staff. The three pediatric hospitals are Juan Manuel Marquez Pediatric Hospital; William Soler Provincial Teaching Pediatric Hospital; and Pediatric Teaching Hospital of Central Havana.

The U.S. unilateral embargo on Cuba is counterproductive and immoral. It is time to lift the embargo against Cuba. As practiced, the U.S. unilateral embargo on Cuba contradicts our country's stated policy to "support the Cuban people" by denying them sales of U.S. produced food and medical supplies. Solid medical studies released in 1997 demonstrate that a health crisis is deepening in Cuba and explain how the U.S. embargo contributes to the situation.

Americans who are aware of the crisis are calling for a change of policy in the spirit of the Pope's recent trip to Cuba. The Senate and Congress have recently responded to these calls by introducing bipartisan legislation allowing sales of U.S. produced food and medical products to Cuba.

The U.S. embargo on Cuba has long concerned a variety of groups that approach the topic from different points of view. The humanitarian / religious community has long decried the U.S. unilateral embargo's effect on the health, welfare and, indeed, the individual freedoms of Cubans, particularly since the denial of food and medicine violates many of the international human rights covenants to which the U.S. is a party. These groups contend that the embargo, an act under international norms considered an act of war, exacerbates political oppression in Cuba by keeping the government in a national security alert. These views are supported by former political prisoners and dissidents in Cuba.

Opponents say, won't the Cuban government just divert food and medicine to so-called medical tourism? How can we be sure these goods will really get to the Cuban people? That argument is patently absurd. As long as the embargo on food and de-facto embargo on medicines is around, the finger of blame for the growing health crisis in Cuba can point at the u.s. If the u.s. sells food and medicine to Cuba and the Cuban government diverts those basic goods away from the Cuban people, then the Cuban government and not the u.s. deserves the blame. We can't control what the Cuban government does, but we can act with moral decency ourselves.

The State Department says: What about all the humanitarian aid the u.s. sends, apparently more than any other country. Doesn't that show support for the Cuban people?

Charity is no substitute for trade. I believe that life sustaining u.s. goods, particularly patented U.S. medical products, should be available for purchase to any country that needs them.

We must make it clear that the Cuban embargo plays absolutely no foreign policy role. It is an ossified relic of the cold war that reflects solely domestic policy concerns. For some years now the embargo has been nothing but a political bone thrown to the political right and to the most extremist factions of the Florida community. There can be no moral justification for this obsolete, misguided and illegal policy that denies Cuban citizens basic needs.

For our country to continue to deny this one group of people the food and medicines that are needed to sustain life achieves nothing. Forty years of the strongest embargo in our history has resulted in an increase in suffering of the people of Cuba while making no change whatsoever in the political makeup of the Cuban government. We can no longer support a policy carried out in our name which causes suffering of the most vulnerable—women, children and the elderly. That is why I support any and all efforts to lift the restrictions on the sale of food, medicines and medical supplies to Cuba.

Chairman CRANE. Thank you.
Mr. Cibrian? Am I pronouncing that right?
Mr. CIBRIAN. Yes, you are, Mr. Chairman.

STATEMENT OF DAVID J. CIBRIAN, PARTNER, JENKENS & GILCHRIST, SAN ANTONIO, TEXAS

Mr. CIBRIAN. Thank you very much. I am a partner with the Dallas, Texas-based law firm of Jenkens & Gilchrist where I specialize in international matters. I had the pleasure of being before this Subcommittee in March 1994 to discuss U.S. policy toward Cuba, and I appreciate having the opportunity to be with you again today.

To, likewise, respond to the concerns voiced earlier about where are the Cuban-Americans, I am pleased to say that we are here; we oppose current policy toward Cuba, and we support the sale of food and medicine for the Cuban people and the Cuban Humanitarian Trade Act, H.R. 1951.

I am the Miami-born son and grandson of Cuban immigrants who fled their country in 1961. The engineers of centralized economic planning took everything my family owned. My relatives came to this country with nothing but the clothes on their back, but they also came with a fierce determination to succeed. Once here, they worked 14-hour days washing dishes and cleaning hotel rooms. They were exhausted; penniless; unable to speak the new language of their new country, and longing for the family members and home that they had left behind.

In Cuba, my grandfather was arrested for the crime of owning his own business. He was threatened with execution and intimidated with promises that his daughter's safety hung in the balance. There has not been a single day in 36 years that he has not remembered his Cuba, but the proudest day of his life came last year when, at the age of 76, he was sworn in as a citizen of the United States.

The Cuba of today, however, is vastly different than the Cuba my grandfather knew and left behind. Unlike the majority of Cuban-Americans, I know the Cuba of today because I have witnessed it first hand, having traveled there seven times in as many years. I have been accompanied on these trips by representatives of domestic and international corporations interested in doing business in that country. My observations today are a result of experiences in Cuba with Cubans. Cubans of every walk of life, from the most senior foreign investment decisionmaker to the former surgeon who drives a cab because the pay is better.

For 36 years, U.S. policy has had one simple objective: The ouster of the Castro brothers from power. The longstanding embargo and its progeny, the Cuban Democracy Act and Helms-Burton law have failed to achieve their objectives. When I came before this Subcommittee in 1994, the Cuban embargo was in force; the Cuban economy was weak, and Fidel Castro had seen better days. Today, more than 4 years later, the Cuban embargo is strong; the Cuban

economy is stronger, and Fidel Castro is stronger. Are we not headed in the wrong direction?

Our policy toward Cuba needs to be formulated in a manner which is commensurate with sound foreign policy judgments; in a manner which clearly defines obtainable objectives; defines those objectives based on the fact of current circumstances, and results in a policy which is not recalcitrant to calibrated adjustments as changes in circumstances warrant. This approach has been absent from Cuba policymaking since almost its inception.

This is the time when we should be rethinking the efficacy of our embargo philosophy toward Cuba. Recent congressional initiatives, such as H.R. 1951, would bring us closer to dialog with Cuba. This bill would provide economic benefits to U.S. business and alleviate the suffering of the Cuban people without further burdening the U.S. taxpayer or our foreign aid programs.

U.S. business has already missed substantial economic opportunities and the ability to serve as engines of change. In my home State of Texas, it is estimated that exports to Cuba could range from $200 to $300 million in the first year of normalized relations. Texas' estimated 15-percent share of U.S. exports to Cuba would be in line with the State's pattern of trade with Latin America. The greatest export potential for Texas would be in agricultural products; products of the type that Cuba once imported from the United States. The Port of Houston currently handles more foreign tonnage than any port in the United States. Texas business favors trade relations with Cuba. For example, American Rice, one of the largest rice producers in the country with headquarters in Houston, supports H.R. 1951.

I support the return of democracy to Cuba and so does U.S. business, however, our current economic and trade policy neither returns democracy to the Cuban people nor permits our U.S. businesspersons to serve as catalysts for change as they so often have been throughout the world. H.R. 1951 would provide the U.S. food and medicine private sectors the opportunity to bring change to the needy Cuban people.

Mr. Chairman, Mr. Rangel, I appreciate the opportunity to be heard. Thank you.

[The prepared statement follows:]

Statement of David J. Cibrian, Partner, Jenkens & Gilchrist, San Antonio, Texas

Mr. Chairman and Distinguished Members of the Subcommittee:

My name is David J. Cibrian. I am a partner with the Dallas, Texas-based law firm of Jenkens & Gilchrist, where I specialize in international matters, specifically doing business in and with Latin American countries.

I had the pleasure of being before this Subcommittee in March of 1994 for the purpose of discussing U.S. policy towards Cuba and I appreciate having the opportunity to be with you again today.

PERSONAL NEXUS WITH CUBA

I am a Miami-born Cuban-American and the son and grandson of Cuban immigrants who fled their country in 1961. Our story exemplifies a tragic moment in the history of Cuba. The engineers of centralized economic planning took everything my family owned. My relatives came to this country with nothing but the clothes on their backs and their hearts in their hands. But they also came with a fierce determination to succeed and the pride which that entails.

Once in the United States, they worked 14-hour days washing dishes and cleaning hotel rooms in Miami Beach for little or no pay. They cried secretly at night, exhausted, penniless, unable to speak the new language of their new country and longing for the family members and home they had left behind.

In Cuba, my grandfather was arrested for the crime of owning his own business. He was threatened with execution and intimidated with promises that his only daughter's safety hung in the balance. There has not been a single day in the last 36 years that he has not remembered his Cuba, but the proudest day of his life came just last year when, at the age of 76, he was sworn in as a citizen of the United States.

The Cuba of today, however, is vastly different than the Cuba my grandfather knew and left behind.

PROFESSIONAL EXPERIENCE IN CUBA

Unlike the majority of Cuban immigrants and Cuban-Americans, I know the Cuba of today because I have witnessed it first hand on several occasions. I have traveled there seven times in as many years, always legally and pursuant to travel restriction exemptions. I have been accompanied on these trips by representatives of U.S. and non-U.S. corporations and organizations interested in investment in Cuba. Therefore, my observations today are a result of such first-hand experiences in Cuba with Cubans. Cubans of every walk of life, from the most senior foreign investment ministry decision maker to the former surgeon who drives a cab because the pay is better.

PROSPECTS FOR FUTURE ECONOMIC RELATIONS

Impact to the U.S.

Cuba's 11 million people are in need of all forms of goods. As a result, studies have concluded that during the first year of normalized U.S./Cuba relations, trade between the two countries could reach from US$2 to 3 billion. Total trade could surpass $7.0 billion in the few years thereafter.

Impact to Texas.

In my home state of Texas, it is estimated that exports to Cuba could range from US$200 to 300 million in the first year of normalized relations. Texas' estimated 15% share of U.S. exports to Cuba would be in line with the state's patterns of trade with most other Latin American nations.

The greatest export potential for Texas would be in rice, cotton, herbicides, industrial machinery, computer equipment, petroleum products and technology, and transportation equipment, to name a few. Many of these products are of the type that Cuba once imported from the U.S. Texas is well suited to do significant trade with Cuba due to its proximity to, and trading experience with, other Latin American countries. The Port of Houston currently handles more foreign tonnage than any port in the United States.

Impact to Cuba.

No sector of the Cuban economy provides greater potential for U.S. business and has received greater amounts of foreign investment to date than has tourism. This is an industry which has provided much needed hard currency to the troubled Cuban economy. Feasibility studies and historical data indicate that tourism resulted in 1990 total revenues of US$243 million, and is expected to result in US$3.12 billion by the year 2000. This data does not take into account the U.S. tourist. The impact of U.S. tourist travel to Cuba post-embargo is projected by some in the travel industry to reach a level as high as 10 million visitors annually.

Given the trade potential which I have just highlighted and recent events in and with Cuba, the level of interest among the U.S. business community for investment in Cuba has not been this significant in many years. Although suffering from the uncertainties which passage of the Helms-Burton legislation brought in March of 1996, U.S. business interest has clearly rebounded since Pope John Paul II's visit to Cuba this January. In the weeks following the Pope's visit, I have discussed with numerous U.S. companies opportunities in a post-embargo Cuba. Some of these now have applications pending before the Treasury Department's Office of Foreign Assets Control for ventures which they are hopeful might be approved in spite of current restrictions.

OUR TRADING PARTNERS

U.S. business has already missed substantial opportunities which, instead, have gone to Canadian, French, Spanish, British and other U.S. trading partners.

Within just the last week, French and Chilean corporations have announced substantial additional investments in Cuba. Chile's Ingelco, S.A., inaugurated a new milk production unit in central Cuba which was the result of an initial US$2.6 million investment. Foreign investors committing hard currency to milk production in 1998 is an ironic twist given that Cuba nay-sayers predicted in 1990 that Cuba would be so hard hit by the Soviet collapse that it would not be able to provide milk for its own children.

France.

With regards to France, French officials are expecting a 30 percent rise in 1998 Franco-Cuban trade. This follows an increase in French exports to Cuba of 28 percent in 1997 (approximately US$211 million). Total French investment in Cuba is estimated at US$100 million.

Canada.

Canada is Cuba's largest trade partner with a total investment of US$427 million. Two-way trade between the countries has been estimated at more than US$490 million in 1997. Of the more than 300 foreign investment transactions as of the end of 1997, 40 were with Canadian firms. Spain had more deals—60, but their value was only US$100 million, compared to Canada's US$427 million.

Other.

The commitment of foreign investors continues to grow. Spain has committed millions of dollars to the tourism, agriculture, and real estate sectors. Spanish companies are also commercializing Cuban tobacco products and recording artists. The British government is providing financing and the British private sector is investing in a variety of industries.

HELMS-BURTON'S IMPACT ON U.S. TRADE RELATIONS

Not surprisingly, Cuba's major trade partners are also the U.S.' major trading partners; partners who have been vocal in their opposition to the extraterritorial impact of Helms-Burton. On the eve of a European Union/U.S. economic summit, this trade dispute goes unresolved. The European Union's efforts to adopt a Multilateral Agreement on Investment have been damaged because of France's insistence on a Helms-Burton ban. Canada and Mexico have each adopted their own versions of Helms-Burton "antidote legislation" which puts foreign subsidiaries of U.S. companies who attempt to comply with both sets of laws in an impossible position. The international community, long critics of our Cuban trade embargo, have rallied around opposition to Helms-Burton like no other issue in U.S.-Cuba relations.

CURRENT U.S. POLICY TOWARD CUBA IS INEFFECTIVE

For the last 36 years U.S. policy towards Cuba has had one simple objective—the ouster of the Castro brothers from power. The long-standing trade embargo and its progeny the Cuban Democracy Act of 1992 and the Cuban Liberty and Democratic Solidarity Act of 1996 ("Helms/Burton") have failed to achieve their objective.

When I came before this subcommittee in 1994 the Cuban embargo was in force, the Cuban economy was weak and Fidel Castro was strong. Today, more than four years later, the Cuban embargo is stronger, the Cuban economy is stronger and Fidel Castro is stronger. *Are we not headed in the wrong direction?*

NEEDED CHANGES IN CUBA POLICY

At some point, our policy towards Cuba will need to be formulated in a manner which is commensurate with sound foreign policy judgments. In a manner which:

- clearly defines attainable objectives;
- defines those objectives based on the facts of current circumstances; and
- results in a policy which is not recalcitrant to "calibrated" adjustments as changes in circumstances warrant.

This three-pronged approach has been absent from Cuba policy making since almost its inception. This is the time when we should be rethinking the efficacy of our embargo philosophy towards Cuba. The current embargo and Helms-Burton in specific have taken us farther away from dialogue with Cuba and, therefore, the attainment of clearly defined and attainable foreign policy objectives. Recent initia-

tives such as the Cuban Humanitarian Act (H.R.1951) would bring us closer to dialogue.

CONCLUSION

I support the return of democracy and free market economic principles to Cuba and so do the many U.S. business interests which want to do business in Cuba. However, our current economic and trade policy neither returns democracy to the Cuban people, nor permits our U.S. entrepreneurs and business persons to serve as catalysts for change, as they have so often been throughout the world.

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to be heard.

Chairman CRANE. Thank you, Mr. Cibrian, and our next witness, Mr. Peters.

STATEMENT OF PHILIP PETERS, SENIOR FELLOW, ALEXIS DE TOCQUEVILLE INSTITUTION, ARLINGTON, VIRGINIA

Mr. PETERS. Thank you, Mr. Chairman, and thank you, Mr. Rangel. I worked in the Reagan and the Bush administrations in the State Department in the Latin America Bureau. I first traveled to Cuba in 1991 as a State Department official. Since then, I went to Cuba in 1996 and just in March of this year to conduct economic research there. Earlier in my career I worked for quite a number of years for Jim Courter, your former colleague, and I hope that that training gave me an ability to get right to the point when speaking to Members of Congress, so I'll try to be as brief as I can.

The main point I'd like to make to you is that Cuba's economy is changing, and markets are starting to function there, and rather than express this in jargon, let me just talk to you about three people that I've met in Cuba. They're not typical because most people are still in the state economy, but these people show you the kind of change that's taking place.

Take Roberto, a man who's 35 years old; he's a sales representative for a European company that functions in Cuba, and he spends his time trying to make sales. He travels around the island; the company's an equipment manufacturer. For his work,he earns about five times what a doctor makes in Cuba, and he's learning the skills of marketing and how to make sales and how to assess what's needed in different places, and he's basically working in the international economy, and he's paid, by the way, as are many people who work in the foreign investment sector in Cuba, both in pesos and in dollars, so that's what accounts for the fact that his salary is so high.

Take a man named Luis, a small farmer. There's an agricultural reform going on in Cuba, and he recently tried his hand selling his surplus produce in a farmers' market; there's about 20 of them in Havana. It didn't work out, so now he's going to concentrate all his energy on making as much surplus production as he can on his farm to sell, according to the laws of supply of demand, in those markets.

And, last—and this is where I spend most of my time, in the small business sector—I'll tell you about a guy named Daniel who for the past 2 years has been working as a locksmith. There are 160,000 Cubans like him who quit government jobs or got laid off,

and set up a small business. He doesn't particularly make a lot of money. He doesn't really make a whole lot more than he used to, but when you talk to him, he likes the independence he has. I asked him, "What's the challenge in your job?" He says, "Well, I have to learn accounting. I have to learn how to track my costs and pay taxes and also how to deal with difficult customers." He says, "These are things that I don't know about and none of them mattered when I worked for the state."

You sum all this up and what is happening in Cuba is that elements of capitalism are starting to function there; the beginnings of market activity, and especially in the case of small business, there's some economic freedom for the individual. In sum, it used to be that where there was nothing but the state's planned economy and the black market, now, that is not so.

I want to be very careful and put this in perspective for you because the changes or the adjustment or the reforms that are going on are small compared to the market economies that surround Cuba. The pace of these changes is slow and the restrictions on the people that I just talked to you about are many, but when you see these things from inside Cuba and when you assess the impact it has on people's lives, the significance is much more than what we can imagine from afar.

I'll just give you one example. A colleague and I had an opportunity in March to talk with about 150 of these entrepreneurs, and they earn, on average, 70 percent more than a Cuban doctor earns. So, you can talk about the restrictions; you can talk about the taxes and the fact that there's only 12 seats in a restaurant and all that, but, in the end, those people are learning entrepreneurship and making a difference in their lives.

These are not just isolated changes. A hotel maid who earns some tips in dollars, she may pay a seamstress who has a home business. A miner who gets a pay supplement in dollars probably goes to the farmers' market and supports, thereby, the development of private agriculture in Cuba. A retiree who may get some donations from his relatives abroad may save it and give it to his son to start a small business. There are multiplier effects in Cuba's economy just as there are here.

How should we react to this? In my view, we've got profound political differences with Cuba, and we should always express them forcefully and unequivocally. But we ought to be able to have a policy that expresses our political disagreement and, at the same time, tries to exercise American influence where some positive things are going on.

And I would respectfully suggest a few measures. First of all, to promote change. Until 2 years ago, U.S. policy, as set forth in the law that the Congress passed, was to encourage the changing of sanctions "in carefully calibrated ways"—as the law said—"in response to positive developments in Cuba." Today, our law freezes our sanctions in place until Cuba's Government no longer includes Fidel or Raul Castro, and it directs the President to appoint new officials and committees to "promote market-based development in Cuba" but only when a total political change has occurred. I would argue that the previous law was a more useful foreign policy tool.

It would allow sanctions to be modified as conditions change in Cuba. I think that's the essence of a practical diplomacy.

Two other thoughts for you: Right now, Cuban-Americans have the right to travel to Cuba. Why not extend that right to all Americans? Cuban-Americans have the right to make donations to Cubans. Why not extend that right to all Americans? If we would do that, we would help the small business sector which in part feeds off of contact from outside, and then that would have multiplier effects throughout the rest of the small business sector. We would be providing humanitarian assistance. And we would create thousands of people-to-people contacts. That is something that our law and the administration have tried, but we haven't succeeded through a government program of people-to-people contact. I think the way to do that is to just free the American people to travel to Cuba. It's a simple and certainly less bureaucratic way to do it.

And this final comment: I deeply respect those who have a different view of this situation and who oppose any measure that might lift the controls on American contact with Cuba or that might permit dollars to flow to Cuba. And I acknowledge that many of these folks believe that the value of engagement might be outweighed by some perception that contacts with Cuba by Americans is somehow going to imply endorsement of the Government in Cuba.

I respectfully disagree, and I'll just tell you that in my hundreds of conversations in Cuba, I've never met a single Cuban in Cuba who wants his or her country's economy to deteriorate, or who expects economic hardship to bring political change to Cuba, or who views travel or investment from abroad as political statements in support of Cuba's Government.

So, I raise those few ideas deliberately to give you a sense of some of the things that could be done without touching the core issue of the embargo. I endorse a lot of the comments that have been made today, that engagement will do much more to promote our values and our interests in Cuba than the policy we're pursuing now.

Thank you.

[The prepared statement follows:]

Statement of Philip Peters, Senior Fellow, Alexis de Tocqueville Institution, Arlington, Virginia

Mr. Chairman, Members of the Committee:

I welcome the opportunity to join you as you review the situation in Cuba and American economic and trade policy toward Cuba. I run research projects on Cuba and other topics at the Alexis de Tocqueville Institution, but the views I express here are my own.

I'll summarize my statement as follows: Cuba's economy has survived the shock inflicted by the end of the Soviet Union, and it has begun to recover; one means of recovery has been to change its economic policies, including the introduction of market-oriented reforms; these reforms offer clear benefits to the Cuban people, and they create opportunities for the United States to encourage further reform; to seize those opportunities, the United States would have to move from a policy that promotes the isolation of Americans and Cubans from each other to a policy that accepts some degree of engagement as a means of promoting American values.

SURVIVING THE POST-SOVIET SHOCK

I'll begin by offering some perspectives on the Cuban economy based on my research and travel there.

The end of the Soviet bloc deprived Cuba of subsidies equaling one fourth of its GDP, and it broke trading relationships with the USSR and Eastern Europe that accounted for over two thirds of Cuba's foreign commerce. As a result, the economy was at a near-standstill by 1992–1993, when GDP had contracted by over a third, international credit and reserves were collapsing, and Havana's streets were often devoid of vehicular traffic.

Today, Cuba is no economic paradise; many goods are scarce, peso salaries provide weak purchasing power, and infrastructure is in need of renewal across the board. But there has been improvement: growth has been restored (7.8% 1996, 2.5% 1997), and the currency has been stable at about twenty pesos to the dollar for over a year.

In Havana, there are traffic jams, and one sees some construction projects in progress. Perhaps the most unique feature of Cuba's economy is its duality; two economies work side by side, one in pesos, one in dollars, and many Cubans operate in both.

A number of factors account for Cuba's recuperation, including austerity, remittances from abroad, and policy changes that are generating new sources of income and employment.

Some of these policy changes adapt the current system without changing it fundamentally. State enterprises are not being privatized, but they are being forced to meet financial targets, and their subsidies are being phased out. Ministries and state enterprises have laid off workers. The military has been downsized by about half, and a report from Havana last week indicates that about half Cuba's military personnel are engaged in agriculture or other civilian production. (That may be one reason why the Commander in Chief of the U.S. Southern Command, General Wilhelm, noted in an interview last week that Cuba no longer poses a military threat to the United States.)

MARKET-ORIENTED REFORMS

But other reforms are more significant because they are introducing elements of capitalism to Cuba's socialist economy.

I want to be careful to place these reforms in context. Cuba is surrounded by market economies, and for the past decade and more, many of these Caribbean and Latin American nations have worked to make their economies more open to competition and investment, both domestically and internationally. Compared to policies in place in these neighboring countries—indeed, compared to the liberalizing policies that many of us would argue would best bring prosperity to Cuba—Cuba's reforms to date are carefully limited and their pace is very measured.

But seen from inside Cuba, the changes brought by these reforms are far more significant than they appear from here, and their impact on the lives of individual Cubans is far more important than we can imagine from afar.

Foreign investment is one example. Total foreign investment in Cuba is relatively small—one analyst, Maria Werlau, estimates that total inward investment between 1990 and 1995 was less than half Chile's investment in Argentina during that period. Because of Cuba's legal and regulatory environment and other factors, in most areas Cuba is not a strong competitor for inward investment in the Caribbean basin.

But after a three-decade drought, the impact of new investment on the economy and on the workforce is significant. A growing tourism sector has attracted, according to official data, over a million tourists annually for the past two years. As a result, hotels, restaurants, and retail shops are being built. Tourist spending is sustaining some small businesses, and contributing to the restoration of Old Havana. Foreign investment has boosted mineral production. It has improved telecommunications for the average Cuban and for Cuba's international business community, providing better service, modernizing infrastructure, and diversifying services.

These investments take the form of joint ventures with state entities, so they do not represent a devolution of decision-making to a private sector. Cuban government plans dictate which kinds of projects are pursued, and which joint ventures are brought to fruition.

But in many ways, these investment projects, or "mixed enterprises," as they are called in Cuba, are bringing parts of the Cuban workforce into a more capitalist world. Many receive training, whether in international business practices, customer service in hotels, or mining methods and safety. They also receive better pay than Cubans working for the state, because in addition to their standard peso salary, many receive pay supplements, either in dollars or in kind. Significantly, some of these supplements come in the form of monthly bonuses tied to production levels.

For example, I met a 35-year-old Cuban sales representative for a European manufacturer of industrial equipment who is paid 250 pesos plus $100 per month—for a total of five times a Cuban doctor's salary. This man loves his work; he travels

from province to province building sales leads, taking orders, learning how to work in a multinational company as he helps to modernize his country's industry.

Agricultural reform is also having an impact. Management structures are changing on Cuban state farms and cooperatives, and more significantly, some market mechanisms are being introduced.

On some cooperatives, farmers who work individually or collectively are no longer working exclusively for the state. They still receive their seeds, equipment, fertilizer, and fuel from the state, and in return they fulfill a production quota for delivery to the state. However, once the quota is fulfilled, they grow crops of their own choice, either for their own consumption or for sale on the market.

This quasi-private surplus production is the source of supply for the farmer's markets that operate throughout Cuba, about twenty in Havana alone. At these markets, prices are high for Cubans earning pesos only (a pound of pork costs five percent of a doctor's monthly salary, about fifteen percent of a worker's pension), but they bustle with customers, and they are competitive. A local economist measured a six percent drop during 1997 in the cost of a basic market basket of goods.

From our point of view, and surely from the point of view of many Cubans, these reforms have a long way to go. To take just one example, all agricultural inputs are procured, held, and distributed by the state. But for the first time in over a decade, Cuba is decentralizing decision-making in agriculture, some farmers are having a greater say in their work and gaining the opportunity to profit from their surplus, that surplus has generated a network of markets that operate by supply and demand, and those markets are generating private employment for producers, truckers, and vendors.

Small business has made a start in Cuba. Among Cuba's reforms, this one represents the most significant grant of autonomy to individuals. Simply put, it was illegal five years ago for a Cuban citizen to quit a job and set up shop as a carpenter, food vendor, locksmith, restauranteur, or mechanic. Today it is legal, and over 150,000 Cubans have business licenses, and are working entrepreneurs.

I'll hasten to add that this is not a small business economy of the kind that you or I would set up if we were writing the rules. Most are one-person businesses, prohibited from hiring employees. Restaurants are limited to twelve seats. For most, there is no wholesale supply market. Cuban officials say that future policy changes may address these issues, but it is not clear when these changes will be debated, or when they would take effect.

I was in Cuba in March, following up on research I did on Cuba's small businesses in December 1996. This time, I was joined by Professor Joseph Scarpaci of Virginia Tech, and together we had the opportunity to interview 152 entrepreneurs.

Many chafe at the limitations imposed on their business activity, and they openly complain. They do not like paying income taxes, which were re-instituted in Cuba two years ago after being abolished for 36 years. They dislike regulations, some dread inspectors, and some tell stories of arbitrary decisions by inspectors enforcing regulations.

Still, they take advantage of the opportunity before them. And many succeed. On average, after taxes and business expenses are paid, they take home seventy percent more than doctors, who are very high in the peso salary structure. (That is an underestimation, I believe, because some work only part time, and many probably understated their earnings to us.) They like their autonomy; "Here, I am the boss," they say, like entrepreneurs everywhere. They are re-learning the arts of entrepreneurship and service, giving new vitality to cities and towns that were devoid of commerce just five years ago. And they have created a clear example that an economic reform of this type can succeed.

"Self-employment," as they call this small business activity, is a new path for recent graduates, retirees, laid-off state workers, mid-career people who opt for independence. About four percent of the labor force is in small business, many more if unlicensed businesses are counted. For some, it's a part-time endeavor to supplement pension income, but for many, it's the way they support their families, and it's a very conscious step into a new, unplanned economy.

IMPLICATIONS FOR U.S. POLICY

"New economy" may seem too strong a description when one considers that socialism still reigns in Cuba. But consider that whereas a decade ago Cuba had nothing but the state's economic apparatus and the black market, today a legal, private economy is emerging, much of it denominated in dollars and working according to market incentives.

In my view, while Cuba's economic reforms are limited, but they have a positive impact on many thousands of individual Cubans and their families, and the United

States could adopt policies that would spur growth of the new economy, while encouraging further reforms.

However, this would require a significant change in our political approach to Cuba.

Current U.S. policy aims to deny hard currency to the Cuban government, and seeks to limit or block dollars flowing to Cuba through remittances, investment, or tourism. Many of these funds clearly do reach the government, through taxes or receipts in the state's retail enterprises. Some are kept in dollar savings accounts, generating capital for small-scale investment projects.

But these funds also sustain Cuba's new economy. The hotel maid who earns dollar tips may pay a seamstress who has a home business. A miner may spend his dollar pay supplement in a farmer's market, supporting the non-state side of Cuban agriculture. A retiree may save his relatives' remittances and gives his son seed capital to start a mechanic's shop. I recently received a report from Cuba that a hotel joint venture, seeking to replace imports, is contracting with a private farmers' cooperative to supply produce. So in Cuba as elsewhere, private economic activity has multiplier effects.

How could U.S. policy react to these developments?

Clearly, Americans agree that our foreign policy should reflect our values, and as long as Cuba maintains its current political system, we should express our disagreement with that system.

But it is not clear to me that the principal means we have chosen to express that disagreement—a policy that isolates the Cuban and American people from each other, and that clearly seeks to bring political change by harming Cuba's economy—is the best way to achieve that goal. It is not a policy we pursued toward other communist countries, even at the height of the Cold War. And our policy is not welcomed by those it is intended to benefit. Cuba's bishops long ago called it "cruel," Cuba's dissidents disagree with it, and Cubans one meets on the street, even those who criticize their government always seem to ask when relations will normalize.

In my view, we should be able to craft a policy that continues to express our fundamental political differences, but does not block broad contacts between America and Cuba, and that recognizes and encourages any positive developments occurring on the island.

I would respectfully suggest a few measures that meet those criteria. They represent a shift from a policy of isolation to one of engagement. They would begin to supply an element that is missing from current policy: a sense of confidence that greater contact between American and Cuban societies would transmit American values and advance American interests.

Promoting change.

Until two years ago, U.S. law encouraged sanctions in carefully calibrated ways in response to positive developments in Cuba. Today, current law freezes U.S. economic sanctions until Cuba's government "does not include Fidel Castro or Raul Castro." It directs the President to name new U.S. officials and committees to promote "market-based development in Cuba"—only after Cuba's political system has undergone systemic change.

I would argue that we would do better to encourage positive economic change even in the absence of political reforms. In that sense, the previous law was a more useful foreign policy tool—it would allow sanctions to be modified as conditions change in Cuba. It thus made sanctions a tool to promote change, and it gave that tool practical value not just in a situation where Cuba changes radically, but also in scenarios where there are positive, gradual changes that we want to encourage.

Travel.

Instead of limiting travel to Cuba to a few categories licensed by the Treasury Department (journalists, researchers, family visits by Cuban-Americans), all Americans should be permitted to travel to Cuba.

One immediate and visible impact would be growth of Cuba's small business sector, as I described earlier.

In addition, it would create thousands of people-to-people to contacts. In the past, Congress and the Administration have attempted to achieve this goal through a government program that screens Americans who wish to visit Cuba, and grants licenses to some. This program is as cumbersome to the citizens who experience it as it is to the federal employees who administer it.

In fact, we do not need this government program. We should simply free the American people to travel to Cuba.

Some Americans would make one-time visits as individuals, just to learn about Cuba. There will be increased interest among academic, cultural, and other private

organizations. Some will seek to establish ongoing contacts; some will succeed, others will fail. But freed of government restrictions, private American contacts with Cuba would be broader, more spontaneous, more diverse, and more numerous—in fact, more reflective of America itself—than those that result from a government program.

Regarding travel by Cubans to the United States, we should also permit a greater degree of freedom. To take one example, two months ago Cuba's economy minister was denied a visa to attend a conference at Harvard. It is not clear to me that we accomplish any foreign policy purpose by denying Americans the opportunity to hear—and to challenge—a senior Cuban official. It is true that American officials seldom have opportunities to address audiences in Cuba, and we should seek to change that. But we should not use Cuban restrictions on the free flow of information to impose restrictions of our own. Our argument for broader U.S. official access to Cuban audiences will be stronger, and we will stop needlessly denying Americans access to information that they seek, if we simply relax our restrictions.

Donations.

Cuban-Americans are permitted to donate up to $1200 per year to their families in Cuba. All Americans should have that privilege, and we should consider raising or eliminating the $1200 limit. This will increase humanitarian assistance to Cuba. It will provide seed capital for small business, and it will have other positive effects on the new economy I described above.

These are but three of many constructive policy options. I realize that Congress is debating certain aspects of the U.S. trade embargo, but I deliberately avoid that issue here, so as to illustrate the range of available options that do not touch on that core issue.

I recognize that many in the United States are inclined to oppose any measure that might lift the controls on American contact with Cuba, or that might permit dollars to flow more easily to Cuba, even for humanitarian purposes. I also acknowledge that many believe that the benefits of engagement would be far outweighed by the perception that contacts may imply approval of Cuba's government.

I respectfully disagree. In my hundreds of conversations in Cuba, I have never met a single Cuban who wants his or her country's economy to deteriorate, or who expects economic hardship to bring political change, or who views travel or investment from abroad as political statements in support of Cuba's government.

In March, a Havana priest told me that "governments always find a way to survive" economic sanctions. Referring to United States policy, he said, "There is nothing positive in isolating a people."

Mr. Chairman, as Cuba's government prepares to celebrate forty years in power at the end of this year, this is a good time to question the assumptions that have long guided our approach to Cuba. We should summon the confidence that this priest and many other Cubans already have in us—that in Cuba as elsewhere, Americans will do more for our own values as protagonists rather than as spectators.

Thank you.

Chairman CRANE. Thank you, Mr. Peters.

Mr. Preeg.

STATEMENT OF ERNEST H. PREEG, WILLIAM M. SCHOLL CHAIR IN INTERNATIONAL BUSINESS, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

Mr. PREEG. Thank you, Mr. Chairman, Mr. Rangel. It's an honor to be here; and a special honor to serve as anchorperson on this long distinguished list of witnesses. In that context, let me just say, for the record, approximately one-half of 1 percent of the American population are Cuban-Americans, and I count 5 out of 20 witnesses, or 25 percent Cuban-Americans, so I don't agree that they're underrepresented in this particular hearing.

I'd like to comment just briefly on the four issues that you listed to focus the discussion today. First, what is the adverse impact of

the U.S. embargo on the Cuban people? My estimate is that the Cuban economy loses $1 to $2 billion a year from the embargo. That compares with total Cuban imports of $4.2 billion in 1996; quite substantial. This adverse impact, though, comes mainly from the prohibition on U.S. exports and U.S. travel to Cuba, tourism most of all. Cuba loses, probably, at least $1 billion a year from the prohibition on travel. Also, Cuba could export to the United States fruits, vegetables, cigars, rum, shrimp, and so forth, another substantial loss.

In contrast, the prohibition on U.S. exports to and investment in Cuba, is having little adverse impact on Cuba. Others can export instead of U.S. exporters. On the investment side, my assessment is that Helms-Burton has had very little impact on reducing investment. There's not that much investment that's good investment now, but hotels are not covered, not expropriated property. For nickel, Sherritt International, a Canadian company, goes ahead and ignores the law, and the buyout of the important big domestic telephone system by an Italian-led consortium has avoided Helms-Burton by making a private settlement with the U.S. claimant.

As to the Pope's visit, second point, it certainly strengthens the Catholic Church within Cuba as a vehicle for positive change, social, economic, and political, but, in addition, it has highlighted, as we've heard today, the suffering of the Cuban people from the embargo; from what is going on in Cuba, and it has caused a much more important visible debate in this country, including today. One specific policy result is growing support within the Congress for the proposed legislation to raise the embargo on exports of food and medicines. To me, that's a win-win proposal. It takes away from Castro the unjustified propaganda argument that it is this export embargo that is causing the shortages there. It doesn't give Castro any significant additional dollars; and it would be a very visible humanitarian gesture for the United States to do this, so I would hope that some time—maybe this year, maybe next year—that this can be brought to a vote with a majority favorable bipartisan support.

The third issue you raised, the humanitarian assistance to Cuban people, we've heard a lot about today. There's been a broad reaction. Most of this support comes from the United States. The Catholic Church organization, Caritas, is out front in getting food to the people, but this amount of nongovernment organization aid is small compared with the very rapid growth over the last 3 years in remittance payments—dollars from the Cuban Diaspora, mostly Cuban-Americans, back to Cuba. This has been estimated at $600 to $800 million a year by two sources. This is a very large amount of money. It equates to more, in terms of net dollar inflow, than either tourism or sugar exports in terms of the impact on the Cuban economy and on the Cuban people. However, at the same time, it creates a dilemma for Cuban-Americans, for those who, on the one hand, strongly support an embargo whose only intent is to cause economic pain on the Cuban economy, on the Cuban people, while, at the same time, they're sending money there that offsets and undermines the very impact that they claim they want to have.

And, finally, the fourth point, what is the impact on U.S. relations with trading partners? There are two effects, somewhat in contradiction. The first one is what they do. Third country competitors simply displace U.S. exports in the Cuban market. I estimate that the embargo causes in the order of export loss $3 to $4 billion a year compared with trade relationships in other countries in the Caribbean Basin where we are the dominant trading partner. That's the relationship compared with a normal relationship. The investment loss is harder to quantify, but, obviously, if an American company had gotten that contract on the internal telephone system, it would be a big payoff over many years with U.S. technologies instead of European.

The second impact on our trade relations is the conflict we have with other countries who officially oppose the embargo; who have raised disputes over Helms-Burton in the World Trade Organization, which has reduced U.S. influence and leadership in that important organization, and has also reduced U.S. public support in our country for our longstanding liberal trade policy. In fact—my final comment—the failure of President Clinton to obtain fast track legislation last year reflected a public opinion that has turned against the longstanding U.S. liberal trade policy, and the many attacks by Helms-Burton supporters on the WTO as undermining U.S. sovereignty has contributed significantly to that failure.

Thank you, Mr. Chairman and Mr. Rangel.

[The prepared statement follows:]

Statement of Ernest H. Preeg, William M. Scholl Chair in International Business, Center for Strategic and International Studies

Thank you, Mr. Chairman, for this opportunity to appear before the Subcommittee on Trade and to state my views about U.S. economic and trade policy toward Cuba. I hold the William M. Scholl Chair in International Business at the Center for Strategic and International Studies in Washington, where my work is heavily involved with trade policy and the Cuba relationship, including my works, *Cuba and the New Caribbean Economic Order* (1993), and *From Here to Free Trade: Essays in Post-Uruguay Round Trade Strategy* (1998). I am currently engaged in a CSIS project on unilateral economic sanctions, for which I am doing several country case studies, including Cuba.

This hearing is especially timely because circumstances influencing U.S. Cuba policy have changed substantially over the past year, both in Cuba and in the United States, and I believe a fundamental reappraisal of U.S. Cuba policy is in order. You have highlighted four issues as the focus for this hearing, which I will address in turn.

1. THE IMPACT OF THE U.S. EMBARGO ON THE CUBAN PEOPLE.

The U.S. embargo had little impact on the Cuban people for the first 28 years through 1989 because the Soviet Union provided massive economic aid to Cuba, in the order of $6 billion per year in the late 1980s, while the Cuban economy was isolated from trade with the West. The abrupt cutoff of this aid beginning in 1990, however, led the Cuban economy into financial crisis and a sharp decline in its gross domestic product by half or more, by my assessment, although the Castro government claims the reduction was only 35 percent. Widespread shortages of food, medicines, and other consumer goods caused much suffering for the Cuban people, and although the Cuban economy bottomed out in 1993 and shortages have eased somewhat since then, the economic deprivation continues for most Cubans. Moreover, the prospect is for slow or no growth in coming years as the Cuban industrial base gradually crumbles from the lack of job-creating investment—gross investment in 1996 was at the incredibly low level of seven percent of GDP.

The issue is how much of this poor economic performance in the 1990s—and the related suffering of the Cuban people—is caused by the U.S. embargo and how much by the failed centrally-planned economy of the communist government. My assessment is that the failed Cuban policies are principally to blame, but that the U.S.

embargo deprives the Cuban economy of $1–2 billion per year of hard currency, which is substantial compared with total Cuban imports of goods and services in 1996 of $4.2 billion.

This $1–2 billion adverse impact on the Cuban economy from the U.S. embargo comes principally from the prohibition on U.S. imports from Cuba and travel to Cuba by U.S. citizens. The tourism sector is hardest hit. Based on a 60 percent U.S. share of tourists in other Caribbean island nations, the lifting of travel restrictions should increase Cuban tourism revenues by more than $1 billion per year within a few years. A lifting of the import embargo would also permit significant Cuban exports to the United States of fruits, vegetables, cigars, rum, and other consumer products.

In contrast, the embargo on U.S. exports to and investment in Cuba is having relatively little adverse impact on the Cuban economy. Cuba imports freely from all other countries rather than the United States, at only slightly higher prices, and this includes food and medicine imports addressed further below.

As for foreign direct investment, at this time Cuba is generally not an attractive country in which to invest. Labor costs are extremely high because of a two thousand percent tax on labor levied through regulated wage payments in pesos rather than dollars. In those sectors where investment has been attractive—hotels, nickel, and the domestic telephone system—non-U.S. companies have been quick to invest and the Helms-Burton legislation of 1996 has not significantly deterred such viable foreign investments. The hotels are not on expropriated U.S. properties and therefore Helms-Burton does not apply. The Canadian company Sherrit International has invested in nickel production while ignoring Helms-Burton. And the Italian-led investment consortium in the Cuban telephone system avoided Helms-Burton by reaching a private settlement with the U.S. claimant. Only a few relatively small investments in other sectors may have been deterred by Helms-Burton.

Thus the Cuban economy suffers adverse impact from the U.S. embargo through a loss of tourism revenues and potential exports to the United States, which in turn is causing economic pain principally on the Cuban people. Dollars flowing into Cuba are fungible, the Cuban government sets the priorities for their use, and imports of consumer goods have a low priority.

2. Future Prospects in Light of the Pope's Visit.

The Pope's visit will strengthen the position of the Catholic Church as a vehicle for social, economic, and political change within Cuba, but the strengthening will be incremental. A broader result of the visit was to highlight the economic suffering of the Cuban people and to question the adverse impact on them from the U.S. embargo. The Pope has long opposed all economic sanctions—multilateral and unilateral—as having little impact on the behavior of authoritarian governments while causing economic pain to the people, and often the greatest pain to the poorest people. The media reporting during and after the trip focused on this inherent dilemma for economic sanctions policy, which has led to more intense international debate about the purpose and effects of the U.S. Cuba embargo.

This debate is most important within the United States because all other countries agree with the Pope and officially oppose the U.S. Cuba embargo. Within the Cuban-American community, which has been a forceful advocate for tightening the sanctions, an open split has emerged, although the pro-embargo faction remains in the majority. The U.S. private sector has become more organized and forceful in its opposition to unilateral sanctions and editorial comments run more heavily against the Cuba embargo in the wake of the Papal visit.

Two specific policy developments in the United States since the Pope's visit are President Clinton's actions in March to ease restrictions on travel and humanitarian assistance and growing support for legislative proposals in both houses of the Congress to unilaterally raise the embargo on exports of food and medicines to Cuba. Of the President's actions, the most significant is the renewal of direct flights from Miami to Havana for Americans legally permitted to travel to Cuba, principally Cuban-Americans. Reports are that scheduled flights are fully booked and that there will be many more flights than there were before they were suspended two years ago. Moreover, Cuban-Americans traveling to Cuba now are less intimidated by the pro-embargo majority, and include younger generation Cuban-Americans questioning the longstanding embargo policy.

The legislative proposal to lift the embargo on food and medicine exports is a win-win proposition for the United States. As noted earlier, it would not provide significant additional dollars to the Castro government while taking away Castro's unjustified propaganda argument that the embargo on these products is a cause of food and medicine shortages in Cuba. It would also be a symbolic gesture of understand-

ing for the pressing humanitarian needs of the Cuban people. The proposals have well over a hundred co-sponsors in the House and more than twenty in the Senate. A significant number of these have signed on in light of the Pope's visit. I would urge an early hearing and vote on this legislation, and hope that a bipartisan majority will vote in favor.

3. Humanitarian Assistance Extended to the Cuban People.

The financial crisis and economic suffering in Cuba during the 1990s have evoked a strong response from abroad to provide humanitarian assistance to the Cuban people. A principal difficulty in doing this is to assure that such assistance gets directly to the people and is not simply acquired by the government for its own purposes. Church groups and other non-governmental organizations (NGOs) are appropriate channels, but it can be a slow and difficult process to get established in Cuba. The Catholic Church humanitarian assistance agency, Caritas, is the largest and most successful NGO conduit by far. As to the source of such NGO support, U.S. assistance is far larger than all other country contributions combined.

This church and other NGO humanitarian assistance, however, is relatively small by comparison with the surge of remittance payments of dollars to Cuban families from the Cuban diaspora, principally Cuban-Americans. Such remittances increased from the order of $100 million per year in the early 1990s to an estimated $600–800 million per year in 1995–97. The U.N. Economic Commission for Latin American and the Caribbean estimates the remittance level at $600 million in 1995 and $800 million in 1996, based largely on an otherwise unexplained increase in the Cuban current account deficit of more than $1 billion per year. The Cuban government estimates up to a $700 million level in 1997 related to sales in "dollar only" stores, which were established in 1994 in large part to attract such dollar remittance flows into Cuba.

A qualitative advantage of this humanitarian dollar inflow is that all the dollars stay in the country to buy basic necessities whereas, in contrast, more than half of gross tourist receipts are used to pay for tourist-related imports. When taking account of this "gross-net" differential, the estimated remittance payments provide more dollars to the Cuban economy than either the tourism sector or sugar exports.

Remittance payments from the Cuban diaspora are at least several times larger than church and other NGO humanitarian assistance combined, and as such present a dilemma for the Cuban-American community in particular. Many Cuban-Americans strongly support the embargo, which is designed to inflict economic pain on the Cuban economy, while providing large amounts of humanitarian-based remittance payments which negate the economic impact of the embargo policy. In effect, the remittance payments are a response to the Pope's message that economic sanctions hurt the people. Comparing the size of the remittance payments to the Caritas program in Cuba, Cuban-Americans are indeed more Catholic than the Pope!

4. The Impact on Relations with U.S. Trading Partners.

The impact of the U.S. embargo on U.S. trading partners consists of two elements that are in basic conflict. It is a matter of what they do and what they say. The larger impact by far is that the unilateral embargo precludes U.S. exporters and investors from the Cuban market, while leaving it open to the benefit of all competitors. This did not mean much before 1990, when the Cuban economy was integrated with the Soviet Bloc, but the adverse impact on U.S. commercial interests has since become substantial. The United States is the natural market for Cuban trade and investment as it is for economies throughout the Caribbean Basin, and with normal commercial relations, the United States could expect a 60 percent or more share of the Cuban market. In 1996, Cuban imports were $4.2 billion, and in the absence of the embargo, such imports would rise to $5–6 billion (from dollar inflows from increased tourist receipts and Cuban exports to the United States as explained above). On this basis, U.S. export losses would be in the order of $3–4 billion per year compared with trade relationships elsewhere in the Caribbean basin. This market would not be obtained immediately for U.S. exports upon the lifting of the embargo, but it is a potential target level in a market now totally abandoned to third-country competitors.

The gains to other countries in the area of investment is more difficult to quantify. A five-star hotel on a prime beach location can involve a $30 million investment (based on a 50 percent equity share), but the returns over ten or twenty years can be far larger. Similarly, the moderate initial investment to rebuild the domestic Cuban telephone system, utilizing European rather than U.S. technologies, can have a multiple future return.

The second, largely conflicting element of the impact on trading partners concerns their stated official opposition to the embargo and to the extraterritorial dimension of the Helms-Burton Act, in particular, which attempts to restrict third-country investment in properties with outstanding U.S. expropriation claims. This has caused bitter disputes bilaterally and within the World Trade Organization (WTO). The EU called for a WTO dispute panel and the United States protested on grounds that the Helms-Burton measures are about foreign policy not trade policy, and that if the EU pressed its case the United States would claim a "national security" exemption under Article XXI of the GATT. On both counts, the U.S. position is without merit and tends to undermine U.S. support within the WTO. Many trade policy measures are related to foreign policy but this in itself is not grounds to violate WTO commitments. As for GATT Article XXI, the national security exemption is only permitted under the narrowly defined circumstances of "war or other emergency in international relations," and the United States, as the preeminent global power, would look foolish and be juridically vulnerable to claim such a current relationship with the small, withering communist regime in Cuba.

The United States and the EU are attempting a negotiated resolution of the WTO dispute over Helms-Burton and the outcome is uncertain. In any event, U.S. leadership within the WTO has suffered, as has public support in the United States for the WTO, which has been continually criticized by strident supporters of Helms-Burton. The failure of President Clinton to obtain "fast track" legislation last year reflected a public opinion that has turned against the longstanding U.S. liberal trade policy, and the many attacks on the WTO as undermining U.S. sovereignty by Helms-Burton supporters contributed significantly to this failure.

Bringing these two elements of impact on trade relations with others together, there is finally the question of whether our trading partners—and Fidel Castro—really want the United States to lift the Cuba embargo as they say they do. Foreign business interests clearly enjoy an inside and now exclusive track in a growing market that normally would be dominated by the United States. Trade missions to Cuba are actively promoted by European governments. The CEO of Sherrit International is outspoken in public condemnation of Helms-Burton, but his private preference reportedly is for the embargo to continue as long as possible in order to broaden investment interests in Cuba in the absence of American competitors.

As for Fidel Castro, my personal assessment, based on decades of his highly successful nationalist, anti-U.S. posturing, is that the last thing he would want to see is a lifting of the U.S. embargo. And if this assessment is correct, the entire rationale for current U.S. economic and trade policy toward Cuba is open to serious question.

Chairman CRANE. Thank you, Mr. Preeg.

Mr. Paparian, what's been your experience under the administration's current process to receive a license to provide humanitarian assistance to the Cuban people? Has this process been cumbersome?

Mr. PAPARIAN. Well, we're about to find out. The license was finally submitted last week, because we had to, first, assemble the medical equipment and supplies that are going to be shipped to Cuba and itemize exactly what the items were, so until we'd assembled all the items and categorized them in the warehouse in San Pedro near Long Beach, California, we weren't able to submit the license. We're told that the license process takes approximately 5 weeks; that approximately 99 percent of the license applications are approved.

But I do want to point out one thing and that is there seems to be a gap between what the U.S. Government is saying is going to Cuba and what humanitarian relief agencies are aware is going and what the Cuban Health Ministry says is going. The last year that we have information on is the year 1996, and during that year, the Republic of Cuba received $87 million in U.S. dollars of humanitarian assistance from all over the world. Of that total, $87

million, only $6 million was from the United States. That's according to Cuban Health Ministry sources. It might be worthwhile for this Subcommittee in its work to take a look, take a hard look, at what the numbers really are showing on the total of humanitarian assistance coming from the United States.

Chairman CRANE. Mr. Peters, how does the compensation earned by Cubans working in joint ventures with foreign firms compare to the compensation earned by workers in exclusively state-owned firms?

Mr. PETERS. Well, I have not collected systematic data on that, but, in general, it's higher. I know from talking to a lot of people who work in those joint ventures and to Cuban economists and others that, in general, those firms, those in the joint venture sector, pay a Cuban peso salary—rather, the workers receive a Cuban peso salary directly from the agency that employs them, because the foreign company can't hire the Cubans directly; they're hired through an agency. So, the agency gives them some pesos, but the company also gives them some dollars or gives them some payment in kind, and more interesting than that, is that in some cases—I know in the mining sector and in other sectors too—some of the workers are starting to get paid according to production. So, if the mine does well in a certain month, they get a higher monthly bonus. You asked about workers that work exclusively for the state. They get paid in pesos, although, I understand that in some cases now, some get payments in kind that are in addition to the peso salary. In some ways, this is a response to the higher pay that is beginning to be earned in the market-based sector of the Cuban economy.

Chairman CRANE. And my next question's for any or all of you. Several commentators have described limited market-oriented reforms underway in Cuba. What has the Castro regime said about these policies, and why do you think these reforms have been implemented?

Mr. PREEG. With the abrupt cutoff of the huge Soviet aid, $6 billion a year, Castro was forced to take these reforms in order to avoid economic collapse in 1992, although by 1993 the economy was bottoming out. He was forced to do it to get dollars in; tourism, the nickel production—those are the two largest sectors affected in the external accounts, and internally he gave price incentives to farmers; to farmers' markets; to the small businesses that are now in the order of 100,000, family businesses to provide basic services to the people.

Now, he's trying to hold back the reforms because he knows the more this market economy expands, the more difficult it is for him to control it, and that's really the big game going on. The problem, though, for him is that the market share of the economy is growing, and he admits that now 50 percent of the people have dollars and are into the market economy, much of it in a black market, a gray market; and all the incentives, all the imbalances between the peso economy and the dollar economy, create pressure to move to the dollar.

The best example, if you want an enjoyable exposure for 2 hours rather than listening to the likes of us, is to go see the film "Guantanamara." It was made and shown in Cuba; it is a hilarious

story, but it shows from start to finish the way the dollar economy is undermining all of the state-controlled relationships and the bureaucracy that are still trying to control the Cuban economy.

Mr. CIBRIAN. If I could expand on that, Mr. Chairman. I agree that the economic reforms we have seen to date, and having met with the Foreign Investment Ministry Officials there, that they have been implemented out of necessity, but they certainly have not gone far enough. Earlier, I believe it was Congressman Jefferson who alluded to the question of what comes first, economic, religious, or political reforms? And I think a clear benefit of engagement between U.S. business and Cuba would be to help them learn and help motivate them for further economic reforms, and once that occurs, I think it is very difficult for political reform not to follow suit; not too dissimilar as to what we're seeing happening in Mexico with their political process right now.

Mr. PAPARIAN. Mr. Chairman, let me give you another perspective on your question. I was in Cuba in January, and I heard the Pope's call for the world to open up to Cuba and for Cuba to open up to the world, but the real question for us this afternoon, how will Cuba open up to the United States, and how will the United States open up to Cuba? Most Americans are under the false impression that hostilities between the United States and Cuba, military hostilities, ended with the Bay of Pigs debacle.

I would commend for this Subcommittee and for your staff a book that was written by Jane Franklin which is a chronology of the relationship between the United States and Cuba, going back and looking at the newspaper and magazine archives. In fact, the hostilities continued on covertly under code names like Operation Mongoose.

The Government of Cuba still has a sense of being under siege from the United States. Just last year, there were a series of bombings that occurred in tourist hotels, and there was the tragedy of an Italian businessman who lost his life. The Cuban police apprehended someone who confessed that he'd been trained in the United States at a military base and that he received assistance from the United States. Just a couple of days ago, the New York Times carried the story of what happened when a boat was seized by the U.S. Coast Guard; traced back to the United States of people on their way to Venezuela to assassinate President Castro.

Most Americans aren't aware of how the Cubans view the relationship, and it would be important, I think, for the Subcommittee staffers to take a look at this chronology and to trace the history. You'll get a sense, then, of how there is the resistance to opening up to market reforms when there's a sense of being continually under siege. The hostilities from the cold war between the United States and Cuba are not over yet.

Chairman CRANE. Mr. Peters.

Mr. PETERS. We can't be under any illusions; it's a Socialist economy, and the way they put it is that they are incorporating some elements of capitalism into their Socialist economy. Certainly, the foreign investment is one part; the incentive-based parts of agriculture are part of it; the small business is another. In the case of small business, one Cuban official said to me, "We decided that we no longer needed to plan how every service in the economy would

be provided." So, they allowed Cubans to decide to open small businesses, and they provide a lot of services as a result.

Mr. Ranneberger from the State Department mentioned the taxes that have gone on to the small businesses, and they certainly have imposed taxes. It would probably be fascinating for you, as members of the taxwriting committee, to go and see a place where there was no income tax for 36 years, and then talk to people who now have paid their first income tax for 2 years. They're paying them, and one reason it was put on—a lot of people interpret it as punitive, and, frankly, the rates are higher than you or I would probably prefer, but this is a sector of the economy that was prospering and paying no tax, and so the government put the taxes on so as to avoid income inequality and to be able to say, "Yes, these people are prospering, but those of you who aren't making as much money—at least they're paying a tax to contribute."

There are some ideas under consideration that might allow the small business sector to expand—such as the creation of small- and medium-size businesses, to allow some of these sole proprietors to have partnerships or employees, or to establish wholesale markets so that they have access to wholesale supplies. I would hope that the fact that they have now put a tax system into place and they see the people are paying taxes and they're collecting a lot of money from it, might make some of these officials comfortable enough to allow some of these other measures to allow the small business sector to expand.

Chairman CRANE. Thank you.

Mr. Rangel.

Mr. RANGEL. Mr. Cibrian, I get the impression that for those who support the embargo and, indeed, love Cuba, hoping that we will cause so much economic pain that the Cuban people on the island would somehow overthrow the government, is that basically the objective as you discussed this with those who support the embargo?

Mr. CIBRIAN. As I mentioned, Mr. Rangel, I've had the opportunity to travel there over a span of 7 years now, and I have met with Cubans of all walks of life, and that is not the case, and it is not an attainable objective.

Mr. RANGEL. No, but I'm asking for those who support the embargo, I mean, they just don't want to cause pain to their people in Cuba. They just don't want to be mean-spirited, and it's not just an anti-Communist thing, don't they explain that they would want the Cuban people to uprise against the Communist government? Is that basically——

Mr. CIBRIAN. That is one of the rationalizations used for their support of the policy, yes.

Mr. RANGEL. Because I can't get clear answers, and I thought maybe they might be a little more honest with you being Cuban-American. How do they intend to overthrow the Army that's down there? I mean, the poor Cubans may get annoyed, but even if they did want to get rid of Castro, how do they share that they're ready to do that when Castro has one of the stronger armies in the region?

Mr. CIBRIAN. Well, I can assure you, Mr. Rangel, that many of the proembargo Cubans have been very honest with me about their views given mine. I think it's just very difficult for them to rec-

oncile how you can achieve that goal, that uprising. Unfortunately, unlike the situation in Czechoslovakia or Poland, there is currently no Vaclev Havel in Cuba. Many of those Cubans left in 1961.

If we were to be able to adopt a policy of engagement of being able to teach them about economic reforms and economic change, we would be able to achieve that. Currently, there is an absence of that in Cuba, in the country. So, I don't understand how they can get to an uprising of the Cuban people by inflicting the pain which is a byproduct of this policy whether it's intentional or not, but the fact of the matter is that it is what is occurring to the Cuban people.

Mr. RANGEL. And, so when my colleague had difficulty supporting liberalizing Cuban-American's travel to Cuba or Cuban-Americans sending dollars back to Cuba, all of this is a part of trying to create a frustration that is supposed to cause the Cuban people to be sicker, more poor, more frustrated, then move on to the revolution against President Castro.

Mr. CIBRIAN. That's a correct assessment, but let me tell you, time and time again, my conversations in Cuba with Cubans have made it clear that the Cuban nationals are not blaming Fidel Castro for their situation; they are blaming the Cuban-American National Foundation, the Cuban exile community for keeping this policy in place.

Mr. RANGEL. Now, because we have to really work with people who all want the same objectives: An open and free market in Cuba and democracy as they would enjoy it, and a more friendly relationship and cultural and social economic exchange, what would drive a person to use this method of pain and misery in order to say that they love Cuba more than someone else? Where is the common sense involved in proceeding in a policy that clearly has not given us any hope that it could possibly be effective?

Mr. CIBRIAN. I agree that it's nonsensical, and it's illogical and doesn't comport with foreign policy that we have in other countries. Unfortunately, it's a very emotional issue; a very passionate issue for those who had to leave their country, but I think, unfortunately, there is a silent majority of Cuban-Americans in this country who until recently have not had an opportunity to speak out either because they were afraid to speak out or just did not feel that they would be able to have an impact.

I'll tell you, when I was before the Subcommittee in 1994 and you were at the time chairman, Mr. Rangel, my father and I share the same name. He is fairly moderate in his views about our policy toward Cuba. Shortly after I testified here, my name was on the Miami media. He received both correspondence and phone calls threatening him and my family which lived in Miami. I can assure you that his views toward the Cuban exiles that adopt that view and his moderation toward policy toward Cuba was significantly helped by that; it backfired. He was threatened for something he didn't even do; I was the one who testified. So, there's been a lot of scare tactics, a lot of threatening that has gone on. It has affected my family as a result of my position on this issue and before this Subcommittee in the past.

Mr. RANGEL. That's a new twist on dissent of the son, falling on the father. There's something, too, Mr. Chairman, that occurred to

me last year. A young fellow came up to me and said that he admired my legislative positions except as they related to Cuba, and I asked him what was it that I was doing as relates to Cuba that annoyed him, and he said it was not supporting the embargo, and I said, "Well, what's wrong with it? Why do you object to that?" He says, "Well, my grandparents had a lot of property in Cuba and when the revolution came, Castro took everything." I said, "Well, what did he take?" And he looked at me and he stared. He said, "You know, nobody's ever asked me that before." He said, "And I don't know whether there was anything really for him to take, but you're not going to take away my legacy." And so, sometimes, I think that it may be popular just to be against Castro, and I wish we can find some way to be against Castro and at the same time remove the pain that we're causing the people.

I want to thank you for your courage, because I've been in Miami and seen people taking video pictures of those people that were meeting with me, so I know sometimes it takes a lot of courage just to exercise your freedom of speech on some of those subjects, but I understand that that is changing dramatically in Miami, and I'm glad to hear it.

And for all of you that are involved in just doing the right thing, I guess you have to be patient with us, and maybe we'll change the way we read the electoral college in Florida. That would have a tremendous impact, I think, on not only Presidents, but candidates for President. It's sad to see our foreign and trade policy driven like that, but our great Republic has survived more than just this, and I'm confident we will overcome this as well. Thank you so much for your patience today and your testimony.

Chairman CRANE. And, I, too, want to express appreciation to all of you. It's been a long day and I want to remind my good friend Charlie Rangel that all Democrats are potentially salvageable. [Laughter.]

And, with that, let me remind everyone else that our hearing record is open for public comment until May 21. Anyone interested in submitting a statement for our records should do so by that date, and, with that, the Subcommittee stands adjourned.

[Whereupon, at 5:40 p.m., the hearing was adjourned subject to the call of the Chair.]

[Submissions for the record follow:]

Statement of American Farm Bureau Federation

Thank you for this opportunity to comment on resumed trade with Cuba and sending humanitarian aid to that country.

The American Farm Bureau Federation represents 4.8 million member families in the United States and Puerto Rico. Our members produce every type of farm commodity grown in America and depend on sales to the export market for over one third of our production sales.

Agriculture, including the wide variety of industries involved in farm inputs and outputs constitutes one of the largest sectors of the U.S. economy. In 1997 the food and fiber industries, which include producers of farming equipment and suppliers, processors transporters, manufacturers, retailers and the financial and insurance service industries that serve them comprised 16–17 percent of the gross national product.

The agriculture industry is our nation's largest direct and indirect employer and for the past several years agricultural exports have provided the only positive return to the national trade balance. These accomplishments can only be sustained if our international markets remain open and new markets are created. It has been well

documented that unilateral trade sanctions are sanctions against U.S. markets and destroy our reputation as reliable suppliers.

Farm Bureau strongly opposes all artificial trade constraints such as unilateral sanctions. We believe that opening trading systems around the world and engagement through trade are the most effective means of reaching international harmony, social and economic stability.

The American Farm Bureau Federation believes that all agricultural products should be exempt from all embargoes except in case of armed conflicts. This statement holds true for U.S. wheat exports to Iran, as well for importation of Cuban cigars to the United States, or for trade in any market around the world. The only entities that gain from U.S. embargoes are our competitors as they take over what should be U.S. market share.

Prior to the shift of Cuban alliances to the Soviet Union in the late 1950's, the United States was the key trading partner for Cuba. Before the 1959 Cuban revolution, 68 percent of Cuban trade was with the United States and 40 percent of all investment came from the United States.

Cuba's abrupt shift to dependance on the Soviet Union ended in 1990 with the collapse of the former Soviet Union. Since then, Cuba has lost its "sugar for petroleum" program and the economy has plummeted. The Cuban economy has contracted by over 40 percent since the demise of the Soviet Union, including a 70 percent loss in imports. Thus, stiff economic hardship prevails throughout the country. Opening of trade with the United States would provide critically needed resources and allow for the beginning of a rebuilding process between neighbors.

Cuba appears to have recognized that another shift needs to be made to a more open "market-based" system, and is slowly doing so. Cuba has indicated a willingness to abide by the rules of the World Trade Organization (WTO) in international trade. But, to become a full fledged member of the world community many changes are needed. These changes can be promoted by engagement in commerce.

On March 31, 1998, a conference was held in Washington, D.C., on "The Role of the Agricultural Sector in Cuba's Integration into the Global Economy and its Future Economic Structures: Implications for Florida and U.S. Agriculture." This symposium, co-hosted by the University of Florida and the University of Havana, provided much food for thought and summarized over four years of collaborative research. In summary, if the Cuban economy is opened for trade with the United States, bi-lateral agricultural sales could run as high as $1–2 billion annually after 5–7 years of ongoing relations. As expected, some agricultural sectors would have "challenges" and others would see "opportunities."

Following are details by commodity sector:

1) Citrus: Concerning oranges, the United States' chief competitor is currently Brazil. Cuba would rank only 15th on this list and pose no real threat. Grapefruit would be slightly higher, with Cuba ranking 4th worldwide. The biggest challenge would come from Cuban limes and they could challenge Mexico as a provider of product to the United States. Cuba is in dire need of technology to help this sector of their economy grow.

2) Vegetables: Cuba will compete with the United States, especially in tomatoes, cucumbers and peppers, and especially with Florida. A key will be the disposition of methyl bromide. Cuba cannot afford many chemicals or pesticides and has to currently rely on mostly organic growing conditions. (Without pesticides, Cuban production is down 40 percent from its peak.) The question concerning Cuba as a competitor becomes, what will happen if investment is made in Cuba and production rises by 40 percent?

3) Fishing: Cuba is an important source for 135 species and is ranked third in the world in "catch diversity." Current focus is on low volume but high value, including spiny lobster, snapper, sponge and pink shrimp. Production is still under government control but competition with Florida would be expected.

4) Sugar: The potential for Cuba to compete in the world market is tremendous. From 1980–1989, 80 percent of Cuban exports were in sugar. Productivity and technology were lost during the collapse of the former Soviet Union, and production plummeted from 7.5 million tons in 1992 to 4.25 million tons today. Their goal is to return to 7 million tons per year.

Cuban sugar could not enter the United States without a negotiated sugar quota.

There is room for U.S. exports to Cuba of beans, rice, oils, dairy, wheat and lard. There is also room for U.S. investment and exports of fertilizers, herbicides, pesticides and tractors.

Competition will exist with the United States, but opportunities will also be at hand. Given that we are not in an armed conflict with Cuba, trade should resume. At a bare minimum, the United States should resume humanitarian distribution of food products to Cuba.

U.S. economic sanctions on Cuba clearly have not brought the intended social or political changes. Engagement through open commerce must be resumed if social and economic conditions are to improve.

The American Farm Bureau Federation strongly supports passage of H. R. 2708, the Enhancement of Trade, Security, and Human Rights through Sanctions Reform Act. This legislation will help prevent future embargoes such as the ongoing Cuban situation by requiring a reasonable evaluation of the consequences of imposing unilateral sanctions before they are imposed.

The administration and Congress should take steps to protect the economic stability of American agriculture as well as for the nation by beginning the process of removing current sanctions and prevent future unilateral trade sanctions.

Thank you for allowing us to present our views.

CENTER FOR A FREE CUBA
WASHINGTON, DC 20036
May 7, 1998

The Honorable Philip Crane
US House of Representatives
233 Cannon House Office Building
Washington, DC 20515To

Dear Representative Crane:

I learned the day before yesterday about the hearings on Cuba to be held by the Subcommittee on Trade this afternoon. At the Center for a Free Cuba we welcome the Committee's interest in the Cuban situation. I am writing, however, to express my disappointment with the effort to manipulate the witness list at today's hearing. To present 14 witnesses on one side of any issue without adequately presenting dissenting views does a disservice not only to the issue of Cuba but also to the credibility of the Committee.

Many of today's witnesses have in recent weeks expressed a concern for the plight of the Cuban people. The Castro regime, however, has been in place for almost 40 years. The Subcommittee might want to ask the witnesses to provide copies of their appeals and other efforts to Castro to respect human rights, to stop the practice of interning sane dissidents in psychiatric hospitals, and to end the rapid deployment brigades (groups of thugs organized by the regime to beat dissidents and their families).

The principled policy of the President has benefited by having been the object of considerable Congressional debate in recent years. The Congress has reaffirmed by large margins its support for a policy of sanctions.

Much of the campaign against the lifting of the sanctions against Castro is also somewhat dishonest because, for some, the real target is the lifting of sanctions against Saddam Hussein and Mu'ammar Qadhafi; sanctions that, if lifted, would impact US efforts to promote democracy in the Middle East and the security of Israel.

Enclosed is a recent letter by Major General Donald L. Kerrick, the Deputy Assistant to the President for National Security Affairs, confirming the President's commitment to a policy of sanctions "as long as [the Castro] regime denies the Cuban people their basic human rights."

Those who urge a different policy towards Cuba are not calling for consistency, but rather for an exception to U.S. policy in the hemisphere. The United States supports representative democracy and human rights from the Rio Grande to Chile, in Central America and the Caribbean, where American lives and treasures where put at risk to re-establish civilian democratic rule in Haiti. As a matter of fact, one of your witnesses this afternoon played a major role in convincing the Administration to invade Haiti.

Lifting sanctions against Castro without significant improvement in the human rights situation in Cuba will deny the President a peaceful tool to influence events and will increase the likelihood of U.S. reliance on military force. The policy of sanctions also has the support of the overwhelming majority of the American people.

The President's policy can only be defeated by ignoring the facts of Cuba's medical apartheid, where thousands of dollar-paying foreign patients receive the medical attention which Castro denies to the Cuban people.

The President's policy can only be defeated if the anti-embargo network, funded to the tune of more than 1 million dollars a year for the last 3–4 years, is able to repeat today's congressional spectacle of 14 private witnesses in favor of one issue while not allowing other voices to be heard.

I would like to thank you in advance for anything you can do in the future to ensure that the flow of information to the Committee is as free and unencumbered as possible.

Sincerely,

FRANK CALZON
Executive Director

THE NEW REPUBLIC FEBRUARY 9, 1998

TRB®

FROM WASHINGTON

Castro inconvertible

Whatever its political impact on Cuba, John Paul II's tour of the island may well bolster opposition to the U.S. ban on trade with Fidel Castro's Communist redoubt. The Pope was blunt in his condemnation of the embargo, adding the Vatican's voice to an already growing chorus of opposition. Critics now include not only perennial liberal advocates of engagement with Castro, but also the U.S. Chamber of Commerce and Lloyd Bentsen, whose old job as treasury secretary included enforcing the ban.

The case against the embargo comes in various styles. Liberals (and the Pope) emphasize the hardships it imposes on the Cuban people; free-marketeers, the senselessness of restraining trade. Foreign-policy types love any opportunity to draw a dictator out of his shell. But the basic contentions are that the embargo may actually have strengthened Castro by giving him a scapegoat; that any justification for the embargo vanished with the Soviet Union; and that lifting it now would liberate Cuba, because Castro would lose the last excuse for his failures, and because democracy and Pepsi flow together. "No Sanctions, No Castro," reasons columnist James K. Glassman; end the embargo, he writes, and "the result, before very long, will be a thriving, Castro-less Cuba, a diamond crescent glistening in the blue Caribbean Sea. . . ."

Wow! The one concession Fidel Castro most fervently demands from the United States is also the one policy change that would bring him down. If you think this sounds too good to be true, I agree. The U.S. embargo is indeed an unsatisfactory policy, one which imposes costs on both the Cuban people and the United States. But it is easy to overstate those costs, and the policy is not without benefits—even 37 years after President Eisenhower adopted it in response to Castro's confiscation of U.S. businesses on the island.

For every anti-embargo argument, there is a pro-embargo rejoinder. Does the embargo hurt the Cuban people? A bit, though far less than communism itself. And since the end of Cuba's Soviet subsidy, the U.S. has licensed donations of more than $227 million in medical supplies, plus $1 billion in humanitarian aid—mainly in the form of cash remittances from Cuban exiles to family back home. Is it hypocritical of Miami Cubans to back the embargo while sending dollars that prop up Cuba's economy? Yes, but at least their cash goes to those who really need it. (Actually, Castro's government benefits, too. U.S. phone companies pay Cuba tens of millions of dollars annually for connecting long-distance calls between the U.S. and the island.)

Does the embargo provide Castro with a political self-justification? Yes, but most of the people I've met in Cuba treated Castro's embargo-bashing as just another official lie. Lifting the embargo would also legitimize him by allowing him to claim victory over the *Yanquis*.

Does the Helms-Burton Act create diplomatic hassles with our Canadian and European friends? Yes, but basically the allies' complaints are phony. Ostensibly, they objected to the "extraterritoriality" of the law's provision permitting Americans to sue foreign firms that use nationalized U.S. property in Cuba. Their real motives, though, were anti-American posturing and a fear of similar laws aimed at trade with Iran. Anyway, the provision has never been enforced; Clinton suspended it in exchange for European condemnations of Castro's human rights abuses. Not a bad result.

Isn't it hypocritical to trade with China while stiffing Cuba? Yes, but the results of our dealings with Beijing hardly support the view that trade leads to the spontaneous generation of freedom. True, Cuba is much smaller and closer to the United States and thus more susceptible to American penetration. But it also has a far less open economy than China's, one in which Fidel Castro controls the minutest of decisions. Repeating a common misconception, Glassman says the U.S. embargo prohibits Americans from "buying things from [Cubans]." But "Cubans" aren't allowed to sell; by law, foreign trade is a state monopoly in Cuba. Trading with Cuba means trading with Castro. Canadian businesses in Cuba may hire only state-selected workers; most of their wages are remitted to Castro. Would American companies agree to work under those terms? Should they?

Forecasts of a glittering post-embargo

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TRB *continued from page 6*

Cuba reflect wishful thinking, not a tough-minded assessment of the economic realities of the island. Cuba long ago defaulted on billions of dollars in loans from European and Canadian banks—money it borrowed despite the embargo, then frittered away. Its reserves depleted, Cuba has recently been forced to finance critical imports through short-term loans at double-digit interest rates. Restarting trade between Cuba and the U.S. would require a huge bailout from multilateral financial institutions. Cuba is not yet a member of those instruments of American imperialism, but even if it joined, would Castro agree to restructure his island according to the dictates of the World Bank? He didn't listen to his last patron, Mikhail Gorbachev. Indeed, Castro has jailed (or shot) people rather than take their sensible economic advice. The modest market reforms Castro has grudgingly allowed of late are the exception that proves the rule.

The cleverest variant of the anti-embargo argument holds that the U.S. should offer a partial lifting of the sanctions in return for the step-by-step granting of political and economic freedoms to Cuba. The Clinton administration flirted with this notion, but the Cuban-American lobby snuffed it. In theory, it's a good idea; in practice, it has the fatal flaw of depending on Castro's acquiescence in his own gradual ouster.

Embargo-lifters believe the myth that trade and "engagement" with the West brought down the Soviet Union. Actually, the Soviets were undone by a good cop, bad cop routine. Europe and Canada plied them with economic goodies, while Ronald Reagan's stern anti-communism forced them into ruinous defense spending and deprived them of international legitimacy. Castro faces a version of this now. In any case, the notion that democratic reform in Cuba should depend on a gesture from the United States seems odd. Even if the embargo is bloody-minded and atavistic, Castro's position—"Socialism or Death"—is many times crazier. Given that the end of the cold war discredited Castro and his worldview, why should America make the first move? What would help the Cuban people more: Additional hand-wringing by American pundits about U.S. policy, or an unequivocal demand from those same elites for free elections now?

The embargo may be a futile gesture, but it is not an empty gesture. It sends a message: the United States will have nothing to do with the tyranny 90 miles from its shores. A definitive verdict on the hard line must await Castro's inevitable passing. My hunch, to paraphrase Castro himself, is that history will absolve it.

CHARLES LANE

Statement of Delvis Fernández Levy, Ph.D., President, Cuban American Alliance Education Fund, Inc.

U.S.-CUBA POLICY ALSO AFFECTS FAMILIES

The essential regulations embodied in the U.S. economic and trade embargo toward Cuba, built over a period of almost 40 years and spanning the tenure of 9 U.S. presidents, have had a profound negative impact on Cuban Americans and their families and friends in Cuba.

Unlike other U.S. imposed embargoes, the Cuban embargo completely bans food sales between the U.S. and Cuba. The free flow of medicines and food was allowed in embargoes against North Korea, Vietnam, South Africa, Chile, El Salvador, the Soviet Union, and Haiti. In recent UN-supported embargoes against Iraq and the former Yugoslavia, the UN upheld the principle that medicines and food must be allowed to serve the basic needs of the civilian population.

The embargo severely hinders Cuba's import of food staples and basic medicines from other nations, due to the fact that ships that dock in Cuba are prevented from docking at U.S. ports for a period of six months. Moreover, the requirement for "on-site verification" and complicated U.S.-licensing procedures discourage U.S. pharmaceutical companies, their overseas subsidiaries, and any foreign company using U.S. patents from selling medicine and medical equipment to Cuba.

The trade embargo penalizes American investors. While Cuba is opening to investors from all over the world, Americans are not allowed to engage in commerce with new generations of Cubans and take advantage of business opportunities in agriculture and pharmaceuticals, i.e., life-sustaining food and life-saving vaccine, medicine and medical equipment.

The U.S. embargo creates a state of siege in the Cuban population, thus handing the Cuban Government a ready excuse for any failed economic policy. And as an added consequence, it closes doors and possibilities for Cuban Americans in the U.S. to address issues of common interest for the good of the Cuban nation.

From a human perspective it causes pain and suffering to innocent human beings in Cuba and in the U.S.

- Due to travel restrictions, we are not allowed to be with our mothers, brothers or sisters for normal family activities—simple gatherings to share our love. These restrictions clearly destabilize and injure our loved ones in Cuba and in the United States.
- Although President Clinton recently relaxed the remittance restrictions in response to the Pope's condemnation of the U.S. embargo on his recent visit to Cuba, we, as Cuban Americans, are still severely restricted on what help we can and cannot give to our families and friends.

Those of us who migrated to the U.S. strive to assist in the support of our relatives back home. The assistance money, on which we have paid U.S. taxes, often represents meager earnings obtained by the sweat of our brow in jobs shunned by the rest of society. This assistance is sent to our loved ones—the family and friends who nourished our lives and made us the men and women we are today.

We must not be deprived of our God given right to provide assistance to our loved ones. An injury to one family is an injury to our entire nation. For what is a nation or a people without the protection of our most basic unit of civilization—the family?

And finally, in what might be the most egregious violation of human rights directed towards the entire Cuban people, here and in Cuba, we Cuban Americans and Americans in general, are prohibited from selling life-sustaining food, and are virtually banned from selling medicine, and much-needed medical equipment to people in Cuba. Restrictions on medical commerce and the denial of life-saving medicines to ordinary citizens violate the most basic international charters and conventions governing human rights, including the United Nations Charter, the Charter of the Organization of American States, and the articles of the Geneva Convention governing the treatment of civilians during wartime.

Subsequent to Pope John Paul II's pilgrimage to Cuba, in which he condemned the embargo as unjust and ethically unacceptable, we join religious, business, disabled, medical, and human rights organizations to press for family rights—rights that include the lifting of restrictions on humanitarian trade with Cuba. There is a rising tide of indignation in the Cuban American community, and many of us are saying enough is enough—Basta! Stop using us and our families to fight a Cold War relic.

Statement of Paul F. McCleary, Director, ForCHILDREN, Inc., Arlington, Virginia

By way of introduction, my name is Paul F. McCleary. I am President of a humanitarian organization known as ForCHILDREN, Inc. My interest in and knowledge of Cuba stems from some eighteen visits to Cuba since 1975. As a clergyperson, fluent in Spanish, involvement in humanitarian organizations has afforded me an opportunity for direct contact with the people of Cuba and with the entities which provide them with social services. I feel my qualifications to speak on the issue stems from this long, continuous contact over 22 years with the Cuban people.

This contact has compelled me, as well as many others who work in the field of children's health and welfare, to support the sale of U.S.-produced food and medical supplies to Cuba. We advocate this change because we know from firsthand experience that, despite the Cuban government's dedication to healthcare for children, it is these young lives that are most devastated by the utter lack of food and medicine from the U.S.

We have seen too many Cuban children suffer terribly, simply because some drugs and medical equipment are unavailable to them due to the embargo.

The government of Cuba has demonstrated a commitment to provide medical services to all ages, in the most isolated areas and on the lowest end of the economic scale. In order to fulfill this commitment, the government has developed a medical infrastructure capable of responding to these medical needs.

Cuba established a system of rural hospitals with outpatient clinics and facilities to care for a small number of short-stay patients. A referral system to large hospitals provides services beyond those available in rural hospitals.

A network of family doctors serves 100 to 120 families over an area stretching from one end of the island to the other. This network puts health care within the reach of every individual.

The academic system has been geared to provide technical and medical personnel to make these networks operational. Medical education is available to those who wish to enter the profession. A program of continuing education for medical personnel is maintained by the Ministry of Health.

The government of Cuba has developed, as well, special programs to meet health care needs. In order to reduce a previously high infant mortality rate, the program of UNICEF known as "Baby Friendly Hospitals" was introduced in over 40 participating hospitals. One of the major causes of infant mortality was identified as "preemie babies," babies born prematurely due to their mothers' suffering from malnutrition. The government responded with a network of Maternity Homes to which underweight expectant mothers are brought until they reflect appropriate weight and health factors. This year, Cuba reports its lowest ever infant mortality rate of 7.2 per 1000 live births. This is a decline from 60–65 per 1000 live births in 1960, and puts Cuba on a par with most of the so-called "First World" countries as well as making it number one in all of Latin America for the lowest infant mortality rate.

In the area of children with special health problems, similar efforts have been made to respond to these conditions. Children and youth who suffer from diabetic and respiratory problems whose condition has been identified by his/her doctor are enrolled in programs offering special care and medication.

During the 20 years I have visited Cuba, as a clergyperson involved in humanitarian services, it has been heartening to see this commitment to the well-being of its citizenry being played out in concrete programs of health care for all.

On the other hand, it has been deeply disturbing to me to see the erosion of the services this infrastructure can provide due to the strangulation of the embargo, a situation that has been greatly exacerbated by the

In the area of maternal and child health, the food embargo has caused an increase in maternal malnutrition. The number of expectant mothers needing internment in the Maternity Homes has greatly increased in the last five years, and there has been a marked increase in the incidence of low-birth-weight babies.

In terms of healthcare, babies born prematurely are especially vulnerable. For example, the American Association for World Health Report states: "Cuba received 25 Preemicare Model 105–4 Neonatal Respirators as a donation, but the embargo prohibits sale of spare parts, accessories and provision of services to train specialists in their use."; thus these donated respirators are in effect unusable.

Immunization for childhood diseases is a global goal established by the World Health Organization in its program "Health For All" and by UNICEF in its Plan of Action of the World Summit for Children. Cuba's immunization program includes

11 infectious diseases. However, its program of immunization suffers from fuel shortages to transport vaccines and power outages which cut refrigeration. Though Cuba produces all of its own vaccines except for polio, domestic production remains vulnerable to embargo-related shifts in suppliers. Since 1992, mergers of U.S. companies with third-country companies have resulted in sudden cancellation of contracts for vaccine production inputs.

In the Family Doctor centers I visited in the Sierra Maestra, on the Eastern end of the island, dedicated doctors manned centers equipped with examining table, refrigerator and other equipment, but with only a handful of medicines on almost empty shelves. The contrast was sharp—the knowledge is present but the ability to make meaningful use of it is lacking.

Children suffering from asthma are in a similar situation. Cuba has one of the highest incidences of children with asthma, with over 14% of the children showing some degree of the problem. Cuba has made an effort to produce medicines for asthma. But it cannot provide certain types of medication that function only with a respirator which must be imported. Children with diabetes have benefitted from large donations of insulin from the U.S. and other sources. But dependence on donations is an insecure lifeline.

On every front, humanitarian aid alone is unequal to the task of meeting the need for pharmaceuticals in Cuba.

Also of concern to many of us is the psychological impact of hunger on children.

It is well documented that the physical aspects of hunger, while important, are not the only consequences of prolonged hunger. Studies done during periods of famine, such as those experienced in Ireland in the 1840s and in Russia in 1917–18, clearly demonstrate that prolonged hunger has a psychological impact which leaves a lasting impression on the human psyche.

Cuba has compensated for the shortage of certain foods by rationing and targeting of what food it does have to special age groups. Children have been designated as primary recipients of such foods as milk. A retired U.S. Marine Corps general, in an article in the Washington Post on Saturday, May 2, says, "I talked with mothers who wondered what will happen to their children when they reach the age of seven and the family loses its milk allotment." This comment only begins to reveal the stress and dilemma suffered within family units due to food shortages.

In conclusion, it is inhumane for a democracy such as the United States to apply an instrument such as an embargo which universally and adversely impacts the civil population of a country.

Steps should be taken now to identify with the Cuban people and to demonstrate to them the values which Franklin Roosevelt claimed as the basic rights of all peoples—freedom from want, freedom from fear, freedom of religion and freedom of speech. We cannot promote these four freedoms for the people of Cuba when we participate in the denial of their most basic needs.

Statement of Maria de Lourdes Duke, President, Fundacion Amistad, New York, New York

In my role as President of Fundacion Amistad, and as an officer, supporter and long time consultant with The Harbor for Boys and Girls of East Harlem, it was extremely interesting for me to see on a first-hand basis the services offered to women and children in Cuba. It was also of great personal satisfaction to me to bring together an outstanding group of individuals, eight women and one man, to add their own professional opinions and expertise to the visit.

The delegation had three main purposes:

1. To provide a report on its findings that can be widely distributed.
2. To provide meaningful input to U.S. government officials and Members of Congress in support of humanitarian relief for Cuban women and children.
3. To use its collective networks with other NGO's and nonprofits to collaborate on additional seminars, visits, relief services, and other identified needs. These will be, in part, coordinated through Fundacion Amistad.

The delegation to Cuba, March 8–15, l998, began an assessment of the condition of a representative sample of Cuban women and children, in the areas of health care, education, social services, and the status of women. In addition, identifying the mental health needs of children and adolescents was also a high priority. Finally, the role of several non-governmental organizations were observed.

Our timing was intended to occur after the historic visit of the Pope, to see if the enormous press coverage and actual changes brought about in Cuba for his visit

would provide the promise of more lasting and substantive changes in the way of humanitarian concerns.

Throughout our visit, we observed Cuban pride, its sense of its own rich cultural history, and a deep concern for women and children. However, the absence or lack of up-to-date equipment and supplies struck us all as being a problem to efficient handling of the needs of the women and children of Cuba. Despite the remarkable emphasis of the Cuban government on the needs of young children, the lack of supplies is harmful.

The children themselves were alert and displayed all kinds of abilities, and quickly took advantage of the small gifts and supplies we brought to the centers. The teachers were deeply appreciative and literally begged our group "not to forget us—your visit gives us strength" and to send along additional needed items such as children's Tylenol.

This kind of personal contact at such a professional level can only enhance good will and practical relationships between groups from the United States and Cuba. The negative stereotypes between both groups are ameliorated by such personal visits, and particularly by those visitors who bring vitally needed materials at this critical time in Cuba.

DELEGATION SUMMARY:

Cuba has an extraordinary system of free and available education and health care. In a population of 11 million, there are 60,000 doctors, or one doctor for every 150 people. Even today, the small island nation compares favorably in these areas to most developed countries. The infant mortality rate is low, literacy rates impressively high and the maladies that effect both the developing and developed nations, (death by curable disease, extreme poverty, crime, and drug abuse) remain diminished.

In Cuba today, reduced resources now make it impossible for a Cuban citizen to live from a month's supply of government rationed food. In order for the average person to survive, extras must now be procured with American dollars. The peso now hovers at around 25 to the dollar,and the average professor's wage is about $10 a month. Aside from those fortunate enough to work in Cuba's tourism industry (waitresses, bell hops, cleaners, taxi drivers etc.), everyone we met who was willing to discuss the issue had been forced to take on a second job. Hence university professors become cake bakers by evening, research scientists become taxi drivers; and almost everyone with a room big enough—film makers, teachers, engineers and scientists—become amateur restaurateurs.

With the recognition of the American dollar as legitimate currency, monies sent from family members and friends of native Cubans in the United States have helped to ameliorate the sinking standard of living of the average Cuban citizen. It is even suggested that such personal subsidies provided the single largest block of hard currency to the Cuban government with estimates ranging up to $800 million per annum. As a professor-turned-baker with no foreign based relatives told us one afternoon: "The American money helps not just the families who receive it, but all of us. When I bake a cake, I sell it only for dollars. Most often the cake is bought by families with money from the states. I then spend that money in exchange for soap or cooking oil. In this way the money passes from hand to hand and helps many more people to live than the initial relatives themselves."

However, the scarcity of basic items such as food, medicines, clothing, paper and cleaning materials means that prices remain almost unattainably high to the average Cuban citizen. One eighty nine year old woman told us that she couldn't remember the last time she had seen a piece of fruit. Then she quickly corrected herself and added: "Well, I have seen them of course, but I have not been able to eat them because of the price. Dollars are very expensive."

Lack of basic materials is dramatically inflicting damage to Cuba's social, medical, and academic infrastructure. Though it is still illegal to be unemployed in Cuba, guaranteed employment is a thing of the past, and as the Cuban people are left increasingly to fend for themselves, so the once vaunted advances in education, and health care are visibly beginning to deteriorate. Already many university professors, doctors and scientists have left the country. Others are leaving their jobs for the more profitable tourist oriented trades. University places are shrinking, medical facilities are crumbling, and the once grand general educational system—whose students are now forced to share long out of date text books and scraps of recovered paper—is in danger, quite literally, of disintegrating. It is our opinion that the current, well educated, Cuban work force can not last much beyond a generation under the present circumstances. Cuba's highly skilled work force is a genuine and legiti-

mate national resource, and we feel strongly urge that changes occur to prevent further disintegration.

Conclusions and Recommendations:

The delegation observed a devastating lack of supplies and a weakened infrastructure in the areas of health care, day care, and education. The delegation recommends the American Embargo on Trade to Cuba be lifted. The delegation also recommends increased cooperation between NGOs to deliver necessary supplies to Cuba.

Over the part five years the average caloric intake in Cuba has fallen from 3100 calories per adult per day to 1800. Meat, fish or other protein sources are scarce and preventable disease, including, for example, the outbreak of Neuropathy with resulting temporary blindness in 50,000 adults, was documented between 1992–93 due to lack of B vitamins and sulfur containing amino acids.

General and wide spread shortages of medicines, especially children's Tylenol, vitamins, antibiotics, steroids, chemotherapeuticals and technological equipment have greatly reduced the effectiveness of the medical system.

Lack of basic necessities such as paper, disinfectants and bed linens are undermining effective hospitalization, and access to up to date medical information is also hampering effective medical treatment of Cuban citizens.

Lack of paper, pens, crayons, linens, bandages, toys, and cleaning materials (detergents, soap etc.) have seriously impacted the state of child care and education in Cuba.

In schools, shortages of building materials have led to overcrowded classrooms in substandard conditions. There is a dramatic shortage of paper, pens, chalk, copying equipment and other materials. Computers are rarely seen. Out of date textbooks are shared by as many ten students at a time, even at Cuba's most elite schools and a lack of sufficient food supplies mean many children arrive at school without having eaten breakfast.

The delegation observed the need and desire for more interaction between American and Cuban professionals in the fields of education and medicine. The delegation urgently recommends that the United States government increase educational and professional exchanges between the United States and Cuba.

Cuban physicians, though well trained, lack access to the latest research and techniques in their fields. Greater interaction with US colleagues would expand knowledge in the medical communities of both countries.

Cuban mental health professionals espouse a sophisticated, multifaceted approach to the treatment of children and adolescents, yet lack necessary supplies. An exchange of research and aid would be beneficial to both countries.

EDUCATION/CHILD CARE IN CUBA

Day Care

Children are of utmost importance in Cuban society. They are considered national treasures and are given priorities throughout their young lives. Child care is one of those priorities. There currently exists a three tier system for the delivery of child care services in Cuba: Formal; Informal; and Familial. There are tremendous variations in the quality of care in each of these systems. We visited four formal "circulo infantile" child care centers, three just to walk through and one for a more comprehensive visit.

History

In the early 60's, the State began to build facilities with a capacity of 120 young children and no infants. These centers are still operating; while we were told there were perhaps 200 centers like this built, the actual number was just a guess. During the mid 70's, the State built an additional 200 centers for approximately 200 children each, this time including infants. In 1989, an additional 50 new child care centers were constructed, for infants through preschoolers. While all of the other centers were of similar physical construction, each of these centers were unique in terms of size and shape but they were all large (175–200) capacity.

Current Situation

There are approximately 135,000–150,000 births a year in Cuba. Since all family members now must work, about 500,000 child care slots are needed. There is an extreme shortage of slots in the State-run formal system; some say only 20% of actual needed space exists. This shortage forced a change in the system: child care services used to be provided from age three months to six years. Now care starts at six months. Mothers get up to one year maternity leave but only three months

is paid leaving a gap of three months for all parents, whether in formal or in informal settings—to find care for their children. Anecdotal evidence suggests such a severe shortage that it is now necessary for both parents to bring letters to the circulo infantile stating that they are working and specifically that the mother is working in an education or health related field.

It is anticipated that there will be a decrease in the already low (less than 1%) birth rate. This is a very highly educated population with total access to birth control that is faced with harsh economic circumstances and severe housing shortages. This group will postpone beginning or increasing families' size for as long as possible in anticipation of some change. Most families live in multi-generational settings with women retiring early to take care of their grandchildren so that their daughters and/or daughters-in-law can continue to work. This system will work for this generation, but probably not after that since the women in question will be at the height of their careers and the leaders in their fields when their children need child care.

Overall Summary:

Formal System.—There currently exists an outstanding infrastructure within the formal network of child care centers. The staff was extremely well educated and undergoes continual training. The class room supervisory ratios were extraordinary, and there exists age appropriate groupings of children in warm, friendly environments. The health practices were excellent with both doctors and nurses on site; this health care is integrated into the local primary health care system. Hearing, eye, and dental exams were overseen by the medical staff at the child care center site. There were outstanding classroom health practices: including, individual toothbrushes, individual personal towels, individual potties, showers in the bathroom areas. The center provides clothing for all of the children; they change into these clothes upon arrival and all clothes worn by the children in the center were washed every day. Meals were served in family style.

There were, however, some very severe problems including a lack of very basic materials—both sanitary and program related. There was no toothpaste, no handwashing soap, no toilet paper, no mops, sponges, etc. There was very limited food, even though the children get priorities. They were totally without any teaching materials: books, paper, pencils, paints, toys, etc. The teachers hold up old flash cards in front of the classroom to teach colors and shapes. The physical plant was deteriorating. There were no light bulbs and overcrowded rooms. Despite a strong on-site medical presence, there was no sick child care.

This fee for this type care is based on income and ranges from 40 pesos per month (about $1.50), which is what most people pay, to a maximum of 80 pesos a month. The fee was standard regardless of the age of the child, and includes food and diapers.

Informal System.—This system resembles an unlicensed version of our family day care system in that several children were cared for by a woman in her home. There was no regulation or licensing by the State (which was, in and of itself, amazing since everything else was totally regulated). The homes were usually much too small to accommodate any additional children as several generations of one family were usually already crowded into a few small rooms. In general, there was no specialized equipment or educational materials. Since there was no regulation by the State, this becomes the parents' problem. This type of care costs approximately 80–100 pesos a month, plus food and diapers, for each child.

Since there was no licensing, the provider pays no taxes and is able to keep all of the money which is a real incentive to keep this system unregulated. However, in an effort to upgrade the quality of care provided in these type settings, the nearest circulo infantile often sends a team of teachers and health care professionals to these homes to provide some training materials and basic guidance to the parent in charge. This is done on an informal basis.

Familial.—This system was exactly what it implies—a relative or close friend or neighbor watches the child while the parent works. It may or may not involve some form of payment. There was a facility within each community for use as a resource for these care givers. This facility has a playroom and some professional staff who can offer advise and assistance.

Details of Visit.—What follows is a summary of our visit to the Circulo Infantil los Ninos, "Suenos del Che," established in 1989. The Director was Rodolfina Varna. The center serves 193 children from six months to six years and was open from 6a.m. to 6p.m. five days a week. There were 24 teachers and educators; 15 support staff (cleaning staff, laundresses, cooks); 1 doctor and 2 nurses. The Director has 28 years experience, 9 in this center. Each classroom was headed by a teacher with a university degree who earns 300 pesos a month. The assistant teachers earn 150

pesos monthly. The Director earns a little more than the head teachers. Secondary school students who were interested in pursuing degrees in early childhood education can intern in a center for a full month during their last year as well as part of each school week. There were no male teachers working in any child care center in Cuba. (There were male primary school teachers, however.)

The State provides two snacks and lunch each day. The Director claims they were short of protein but on the day we visited, they seem only to be missing animal protein, which Cubans believe is essential. There were outstanding medical health records on site and a total integration of the school and family health system.

The age groupings of the children were: 6 months to 1 year; 12–24 months; 2, 3, 4, and 5 years. Immediately on arrival, each child changed into clothing owned by the center and back into their own clothes when they left. The center's clothing was washed every day. This system may not still exist in all centers as there was now an extreme shortage of clothing. Cloth diapers were provided and washed on site as well.

The bathrooms were old but very well laid out, with each including two small showering areas for the children. In addition to pediatric toilets, each child had a personal potty for toilet training, as well as a clearly identified toothbrush and towel. For those children who were too young to read, easily recognizable symbols or pictures were used. There were few toys and they were clearly inadequate for the number of children and many were broken or missing parts.

The classrooms were sparsely furnished and the furniture that was there was well worn and occasionally broken. The walls had some commercial pictures up, but no projects made by the children were visible. The physical layout was problematic with possible head entrapment area in the rooftop outdoor play yard fencing. Termites had eaten the large wooden doors that covered entire sides of the classrooms and so the rooms were open onto an indoor play area and therefore quite noisy. There were no play structures inside or out and cement floors throughout the entire area. There were no soft areas anywhere.

Despite the fact that there were severe shortages of all consumable goods:(no paper, pens, crayons, linens, bandages, soaps, etc). the staff was highly motivated and doing an excellent job without any materials. The children seemed engaged and friendly and there was an outstanding teacher to child ratio. At times it was amazing how many adults were in each classroom. Students on work-study made up many of the personnel. This compensated somewhat for the physical limitations of the facility and the lack of materials in the classrooms as well as contributing to the positive interactions in the classrooms.

Primary and Secondary Education:

Our delegation visited several education centers, including one of the most selective and demanding secondary schools in the country.

Children in a child care setting get a good start on their elementary school education both from the socialization that exists for young children and from the professionals under whose care they are included. The songs they learn, the group activities, and the sharing of even the limited number of toys and learning tools have already helped them for future learning.

Primary School.—The primary school that was visited—Hermanas Giral—was in a building that had been a magnificent private home before the revolution. Now there were 392 children in this school in 13 classrooms. Primary school children wear red pants or skirts, white blouses or at least white collars, and a blue scarf. Children between the ages of 5 and 15 were called Pioneers. The 1st grade classroom in which we spent much of our time had 36 children and only one teacher. She had their total attention, and though they were crowded into this classroom (ideal circumstances would have held no more than 18 children), there was no problem of discipline or learning. All these children can read by the middle of their first year. A look at their writing and writing books showed that their letters were clearer than most 3rd grade students in this country. They were fully focused on their work. If any child was having problems with writing, the classroom teacher worked with that student individually after school.

At the request of the child psychologist in our group, each child was asked to draw what he or she wanted to be as a grown-up. The response was instant. Each child began drawing with fervor. Ballerinas, baseball players, astronauts, and teachers were the favorite occupations with very imaginative drawings. Children told what their mothers didC mostly professionals such as doctors, dentists and teachers. The children loved the drawing project, particularly when left with additional paper and crayons and pens for their own uses.

There was an active Parents Council at the school and one of the mothers chairs the Council. It meets monthly. There were health professionals at the school and

a dentist comes on a regular basis. The students begin learning English at this school in the 5th and 6th grades, the last two years of elementary schooling. Other schools now start English earlier. Until the breakdown of the Soviet Union, Russian was the other language taught. The phonic method for reading was the one recommended, but teachers were allowed to use any method that works for them and the children. They learn to read first and then to write. There are no standardized tests in the school until the 6th grade when students are tested in Math and Language for placement in their new schools.

One of the interesting teaching philosophies, at least at this school, was that the same teacher stays with a class from kindergarten through the fourth grade. This may explain why the children seem so comfortable with their teachers and also why they were reading and writing so well at an early age. As more specialized subjects are introduced in the 5th and 6th grades, children are less likely to have the same teachers at that point in their development.

Classes begin at 8:10a.m. and were 45 minutes long. If mothers are at home, children go home for lunch. If mothers are working, children stay at school and are given lunch. They all bring snacks. For working mothers, there was someone at the school every day from 7:00a.m. until 7:00p.m. Evening hours were spent playing and in group activities. Every two months there was a parent-teacher conference. Hermanas Giral school has only four computers (very old ones using ancient television sets as monitors), and computer classes don't start until the 5th grade.

The library was pitiful. It has almost no books, and those it has were very old. The children, nonetheless, love to come and check the books out. They were encouraged to do this but could be much more so if more books were available. The staff at the school seemed excellent, thoroughly professional, proud of the school and their students, and happy to be working in a school.

Secondary School.—We also visited the Lenin School for Science and Technology, a 3 year boarding school for extremely advanced students. It was a highly selective school which takes only the brightest and best from the Havana district. Entrance was based on tests in Language and Math and on prior school records. Only one in three applicants makes the cutoff. There were 3048 students currently, 300 teachers and 600 staff. The students were bussed to and from the school every week. One week they were there from Monday morning to Friday night and the next week until Saturday night. There were two girls for every boy in the school, and the main subjects taught were math, chemistry, biology and physics. There is one school like this in each of the 14 provinces, but the Lenin school was the most prestigious, although the students are also from the most privileged families. Most of the students go on to universities and many into professional life. The school year starts on September 1 and goes till the end of June. If a student fails a class, it is made up in July. There was a hospital close to the campus with 6 doctors and psychologists available to the students. There was an 86% retention rate, with a goal to improve this figure. Students get up at 6:00a.m and lights are out at 10p.m. As at the elementary school, parents were active and meet with teachers every two months. Half the day for students was spent in the classroom, and an equal amount of time was spent working and doing chores. We observed a group of students painting cabinets for an exhibit in their natural history library. The chores vary from cleaning to working in the fields surrounding the school and students rotate their chores.

In the past 24 years, the Lenin School has had over 20,000 students. Of the medical students in Cuba, 85 to 90% come from here. Some of the graduates have come back to teach and many come back to visit. We met with two leaders of the Student Council. These boys were very impressive. We asked one if he would consider politics and he adamantly said "no." We found this interesting, later, when we discovered he was the son of a high ranking government official. The boys described the Student Federation which has three units, one for each grade. When asked what they liked best about their school, they mentioned their teachers, the quality of their education, living with the other students, and the challenges of the work. When asked what they liked least, they missed homes and families, disliked the food, and said there were some behavior problems with students. There was an enormous amount of pressure their final year in terms of testing for the university level, but the school helps prepare them all semester, so it was easier when they finally take the tests.

There were only a few very old computers at the school. In spite of this, the Lenin team has won at the Computer Olympics. Each student was given one pencil a month and textbooks have to be shared among ten students. There were usually 33 students in a class. While athletic teams for both sexes were very popular, sports equipment was very scarce, and there was an enormous need for baseballs, bats, and soccer balls.

As in the elementary school, the motivation and dedication of administrators, faculty and students seemed superb. The principal of the school has been there many years and was proud of his students and his faculty, and very willing and candid to answer questions.

Comments and Recommendations:

It was clear that the educational system was outstanding, given the lack of equipment and supplies. No one has paper, so even if there were Xerox machines, there would not be the possibility of copying anything. We learned that there were special schools for other subject areas, but it did seem that science and math were the most competitive areas of the schools. Others outside the schools talked about their own educational experiences and that of their children. Though the classes we saw were mostly teacher led from the front of the classroom, we were told that cooperative learning exists and was very much part of the learning scheme.

In order to make any recommendations on educational philosophy and pedagogy, one would have to spend much more time in a school than we had during our visit. We have no recommendations to make on a philosophical level. We do feel that these teachers and students need to have adequate materials with which to work. We believe that this country should contribute and coordinate efforts through an international organization to get supplies and textbooks to Cuba.

Though class sizes were large, they were not any larger than in many schools in other countries. The delegation congratulates the Ministry of Education on the rate of literacy in the country (over 95%) and on the ability of teachers to teach and students to learn in far from ideal situations.

CHILD HEALTH/MENTAL HEALTH IN CUBA

> "Cubans in their first year of life get medical treatment like those in the First World. Those older, like 20-year-olds, are treated as if they live in the Fourth World."
>
> —AN ANONYMOUS PHYSICIAN

Medical Health

History.—Cuban health care is a system of free and accessible medical attention for every citizen. Since 1992 the quality of their health care delivery has been severely compromised by the fall of the Soviet Union, the Cuba Democracy Act (CDA) and the Helms-Burton Act. The CDA provides for the sale of food and medicines to Cuba, but under conditions so strict as to de facto prohibit them. The Helms Burton Act prohibits U.S. suppliers from attempting to trade medical equipment with Cuba.

The country is still able to report some of the best indices of health in a setting where obtaining the most basic medicines can be a challenge. The Cuban government has made health care a nationwide priority by increasing its spending from 10% of the GNP to 15%, according to the Ministry of Health, since the reduction in Soviet aid. Despite efforts to ration precious resources to the populations most in need, Cuba suffers from a lack of food, medicines and access to medical information. A unique dichotomy exists between a well designed health care system, and a miserable scarcity of resources. The situation demands a reevaluation of the economic forces that are compromising the health of the Cuban people.

Current Situation.—Despite an excellent infrastructure in place to provide health care, which includes a surplus of educated doctors and accessible providers, Cuban doctors have few pharmaceutical options for treatment of diseases. State officials claim that they can access medicines in moments of dire need. All the doctors, however, to whom we spoke cited shortages of antibiotics, steroids (basic treatment for asthma), chemotherapeuticals (for cancer), and technological equipment. Because of the embargo, we were told, medicines cost 300–500% more than they would if they were directly traded with US companies due to increased licensing and transportation costs. For example, a drug called prostaglandin, a life-saving drug for newborn infants with heart disease, costs about $50 per dose in the US, but $250 in Cuba. Thus the government is not able to afford to keep newborns with these conditions alive. The government demonstrates interest to buy the medicines, but over 90% of all medicines available worldwide are manufactured in the US, and the Cuban economy cannot afford these costs. To control costs, Cuba has learned to make its own medicines, and they are able to manufacture 92% of the medicines available within Cuba. Despite this, they cannot make sufficient quantities, especially since they can no longer obtain the raw materials from the Soviets.

Because pharmacies are bare, patients and doctors turn to humanitarian donations for support, but this is a fluctuating and unreliable source. One week a simple urinary tract infection may be cured by outpatient management with antibiotics,

whereas the same disease a week later may be fatal. Likewise, the Helms Burton Act prohibits the country from obtaining medical supplies and parts for equipment. Some intensive care units are well stocked with many ventilators, but they lack critical parts that cannot be replaced. Children and adults cannot maintain adequate health in a setting that cannot provide basic medicines. Cuba has many highly educated doctors who want to help, but they are unable to practice the medicine that they were trained to do. One doctor lamented "we are able to diagnose most problems, but are powerless to provide the simple medicine to help cure."

Nutrition is another aspect of health that has been dramatically affected by the Cuban Democracy Act. The Cuban government, unable to trade with old allies or nearby neighbors, has responded to this crisis by preferentially providing better quality food to those with the highest need. For example, only pregnant women,breast feeding mothers, and children under seven can get milk. Likewise, sources of protein and iron are scarce, as their ration cards afford no red meat or leafy vegetables, and contain little soy. According to OXFAM, the average caloric intake has fallen from 3100 calories per day to 1800 over the past five years. Furthermore, an epidemic of neuropathy, with resulting temporary blindness, in 50,000 adults was documented between 1992–3 that was due to a lack of B vitamins and sulfur-containing amino acids. As Dr. Francisco Valdes Lazo, the Director of Maternal and Child Health, bluntly stated, Athe country is starving.

Maintenance of a clean water supply has become a major problem. The equipment used to chlorinate and purify drinking water is breaking down for lack of spare parts which can only be obtained in the US. The result is a marked increase in water borne diseases, dysentery, parasitic disease and hepatitis.

Information is another scarce resource. Because of the profound lack of supplies and its political isolation, Cuba cannot exchange critical medical knowledge with the rest of the medical world. Internet access, a standard of care in modern medical facilities, is just being introduced in a few hospitals and polyclinics. Distribution of internet access may be slowed by both dollar and political reasons. Confounding the problem, Cuba lacks a fundamental product—paper—to print or photocopy materials. One doctor showed a torn and faded document on Pediatric Intensive Care that he claims doctors around the country beg him to borrow for one hour. The doctors are isolated from new advances and experimental therapies.

Conversely, the US and the rest of the world cannot benefit from the knowledge and research the Cuban doctors perform. For example, almost all Cuban babies are born in hospitals, and the placentas are then used in experiments for therapies and medicines for skin diseases, a technique not used in this country. This could provide the medical world with valuable information. Also, at least 15,000 children from the Ukraine, exposed to radiation from Chernobyl, have flown to Cuba to receive treatments for diseases ranging from leukemia to vitilligo. The Cuban doctors have not been able to publish any of this critical data, again because of a lack of resources.

Child and Adolescent Mental Health:

The delegation visited the Adolescent Mental Health Clinic in Havana, for children and teens. This self-standing facility established in l975 is unique in Cuba, as mental health services are usually attached to the pediatric/adolescent wings of provincial hospitals. A plan for proliferating the Adolescent Mental Health Clinic model in every province has not been realized due to a lack of funds. The Clinic is an inpatient and outpatient facility, taking cases from Havana and its immediate environs as well as difficult cases that cannot be handled at the local level. While we learned a great deal about the Cuban psychiatric system from the doctors at the clinic, it should be made clear that we did not visit any other facilities or investigate adult psychiatric care.

Although there is a deep knowledge and respect for Freud and other prominent theorists, the philosophy informing child and adolescent mental health is largely practical, eclectic, and quite sophisticated in its varied approaches. The Cuban system, as we saw it and heard it discussed, can be described as community psychiatry at its best. The Mental Health Clinic we saw is inventive and adaptive with the treatment it offers. Both individual and group therapy, as well as drug therapy, are used. In addition, academic tutoring and parent counseling are generally included in each protocol. The Clinic is highly attuned to learning disabilities and sees a child's mental health as closely tied with how he or she performs in school.

The Clinic cultivates a comfortable and caring atmosphere. Children's artwork is hung on the walls. Music and sports programs supplement treatment. There are no locks on the doors. Staff, parents, and patients show kindness and respect to one another. The three professionals we met, Drs. Frank, Resell and Gutierrez were open, intelligent, and clearly devoted to their work. Visits to schools and inclusions of other community support systems are common.

In the inpatient facility, there are twenty-four beds and twenty-four day beds. Fifty patients can be accommodated during the day, but only twenty-two at night. Parents sleep in rocking chairs next to a child's bed. The average inpatient stay is 45 days. There is a comprehensive 24-hour intake process, with a professional on site at all times.

With outpatients, the staff of the clinic works in teams, assigning a doctor, a social worker, and teachers to a case. A team approaches a case multilaterally, combining nursing, occupational and rehabilitation therapy, neurophysical examination and treatment, alternative medicines, and speech therapy, when needed.

Throughout the Cuban system, work with parents is deemed critical and is a core treatment support. The doctors we spoke with were quick to cite a recent research project in which three treatment methods were studied: working with a child in isolation, working with parents in isolation, and working with parents and children together. The final group had the greatest rate of success. At the clinic, parents are required to accompany their child through the outpatient and inpatient process. (It should be noted that any parent of a hospitalized child is paid the his/her employer to take time from work to be with the youngster.) Social workers also work with patients beyond the walls of the clinic. They travel to a patient's home, school, neighborhood, and to the work center of the patient's parents. These outreach efforts on behalf of families and treatment providers form deep connections between them, which is extremely beneficial to the child under their care.

Knowledge of psychopharmacological treatment is very sophisticated among the clinic's staff. Everyone, however, we spoke to was frustrated by the devastating lack of access to medications and current research. There are no medicines such as Prozac or Zoloft. Ritalin, Dexedrin, injectable valium, and anti-psychotics are unavailable.

Everyone we spoke with at the clinic felt that the stress of the economic situation in Cuba was contributing to greater familial stress and more mental health problems among children, adolescents and families. Low salaries, poor living conditions, and difficulty of transportation all put pressure on parents that is easily projected onto their children. Divorce and alcoholism, both associated with economic stress, directly affect the mental health of children and teenagers, and are on the rise.

Many types of pathology seen at the clinic are indicative of the economic hardships faced in the country. Depression, conduct problems, prostitution, and teenage alcoholism are all on the increase. These social disorders are treated with a community approach, involving a patient's parents, school, and neighborhood, but one can see the beginning of a crumbling of the community/family as the economic pressures increase.

Comments and Recommendations

The professionals met at the Adolescent Mental Health clinic were highly motivated, intelligent and dedicated individuals who espouse a multifaceted, sophisticated approach to child and adolescent mental health. Unfortunately, the economic conditions have made it extremely difficult to implement the mental health system to its potential. A lack of access to medication, research, and basic materials like paper and bed sheets, as well as exceedingly low pay for professionals have all been damaging. There are many ways mental health professionals in our country can support the Cuban mental health community and much that our mental health professionals can learn from their Cuban counterparts.

NON-GOVERNMENTAL ORGANIZATIONS (NGO'S) IN CUBA

We were interested in visiting non-governmental organizations, both indigenous to Cuba and those whose funding comes from outside Cuba, to assess the type of services available to women and children. Our delegation met with the following NGO'S:

The Federation of Women

One of the oldest Cuban NGO's is the Federation of Women, founded in l960 to involve women in the revolutions funded by the State. It is the channel to have women considered at the highest levels for economic and political considerations. We were told that the Women's Federation was the voice for the struggle for women's equality.

"Women comprise 40% of the labor force in Cuba, 27% of parliament, 30% of the leadership in labor, and 65% of the skilled labor force," said the director of foreign relations at the Federation. Women are charged $.25 per month to belong to the Federation. In addition to its political role, the Federation helps women with family and social problems.

In 1990 the Federation began a series of community centers, called Houses of Guidance for Women and Children. They provide legal and social services for women and training, but are not battered women's facilities, which don't exist. They are staffed largely by volunteers in the community. A visit to one found the disconnect surprising between what the expressed philosophy is behind the centers, and the reality of the situation. All teaching is theoretical, for example, and done without supplies. Computer skills are learned not on computers, but from instructions written on blackboards.

The delegation was told that a group of young women had come to learn better grooming and hair-dressing skills for their own edification. The women, however, told us they were really there to learn to do hair-dressing and fixing nails from their own homes as quiet and small businesses.

Caritas Cuba

Caritas Cuba is one of the most influential and effective of the local NGO's. It exists in 3000 communities with as many volunteers from its Catholic Bishops Dioceses, and has a working staff of 30 full-time personnel. It distributes $4–6 million a year in humanitarian aid which comes from Catholic Relief Services in other countries, particularly the US. Caritas works carefully through the Ministry of Public Health which warehouses its donated supplies, doesn't tax them, and delivers them where Caritas instructs.

Caritas helps rebuild houses damaged during hurricane emergencies, and helps rehabilitate farm lands. Caritas also develops services for the elderly, and collaborated with government programs for a "Slips and Bloomers" program to provide undergarments, a program which can be used to assess other needs of the elderly.

Because of crowded living conditions, children are often left to the streets to play and socialize. Caritas has started after-school programs for 5–12 year olds. They also work with women on sewing projects, despite a pitiful lack of supplies. Caritas was proud to report that it will receive 72 boxes of baseball equipment from the Baltimore Orioles, but will have to negotiate with the ministry for distribution of this much needed equipment.

"For NGO's to be successful in Cuba," said Rolando Suarez, the director, "they must make decisions based on a knowledge of Cuba."

MEDICC

A new NGO, MEDICC, Medical Education Cooperation with Cuba, is a program of the American Association for World Health. As of April, l998, Medicc has begun to offer US medical students the opportunity to team up with Cuban health professionals in direct contact with patients. Courses are also offered for graduate students in Public Health and Midwife Practitioners.

OXFAM US, Canada and UK has a presence in Cuba with support to Cuban groups actively engaged in organic methods of food production. It also promotes urban rehabilitation and development through community initiatives and the use of sustainable and ecological approaches to food production. One sees lovely urban gardens flourishing throughout Havana and many of these have been funded by OXFAM's efforts.

UNICEF cooperates with existing governmental programs. It is heavily involved with water purification projects, which is also a high priority of the Ministry of Public Health. Two thousand rural communities have either obsolete or non-existent water systems, and water is delivered by the State in trucks. UNICEF has partnered with the State to develop a National Hydraulic Institute which provides a simple technological system of PVC pipes to get underground water at low cost. An installation for more than a thousand people costs only $8–9 thousand for a complete water system. UNICEF also provided two desalination programs in Guantanamo and Bayamo.

In addition UNICEF created a major program to encourage breast-feeding and is also a major supplier of the twelve required vaccines for infants and children. UNICEF is also trying to expand the internet system called Infomed to outlying areas for much better communication by and training of medical personnel.

"A strategic target of all UNICEF's," said its director, Luis Zuniga, "is not to be only around with material things, but with ideas."

Comments and Recommendations

NGO's are an effective and efficient source of supplies, training and a link for Cuba for grassroots development methodologies. In order to continue to help the people of Cuba in their daily struggle, effective NGO's such as Caritas, UNICEF, and the new work of the Fundacion Amistad must be supported and funded.

Links need to be made between NGO's to streamline efficiency and increase communication about findings to develop new programs and enhance existing ones. Simple gatherings of like-minded NGO's to exchange information would be a first step.

THE STATUS OF WOMEN IN CUBA

Observations on the status of women in Cuba were provided by members of the delegation and by a New York University law student, Tanya Southerland.* The NYU law students' objectives were to build professional relationships between the law students of the two countries for future dialogue and cooperation on business and legal matters, and to study a socialist civil law jurisprudential system.

Introduction:

Because Cuba is a socialist country, women's equal access to educational and employment opportunities outside the home has translated into a workforce in which women represent 42% of all workers, 51% of all doctors, and 46% of all scientists. Such positive educational and employment opportunities has meant that for about fifteen years now, the better prepared workers in Cuba are women.

Women's representation in politics, however, remains low. For example there was only one woman on the executive board (of five people) of the student bar association at the University of Havana Law School, in spite of the fact that the majority of law students are women. Dr. Marta Nunez, a professor in the sociology department attributes this phenomenon to women's personal choices. Political positions entail more responsibility, but no more pay. Women who still carry disproportionate domestic responsibilities, do not want the extra work burden of political life.

A professor in the law school stated that while equality for women outside the household is understood as a given, inside the home, fewer strides toward equality have been made. And this in turn restricts women's ability to undertake time consuming "third careers," such as political positions.

The Cuban government has attempted to address this disparity through the Cuban Family Code of l975, The Family Code established equal inheritance rights between children born in and out of wedlock, and it formally denounced "machismo" and encouraged men to share domestic duties, including actively rearing children.

In 1975 when the Code was passed, men spent only thirty-eight minutes per week on household chores. More than twenty years later, the time spent has increased some, but not remarkably, experts say.

Education

Philosophically there is no priority given to either boys or girls in the classroom. Boys and girls were evenly represented throughout the classes we witnessed (in one high achievers high school, one elementary school, one pre school, and one day care center).

Boys and girls at the high school level in the school we visited, enjoyed academic success (and failure) at rates proportionate to their matriculations—a nearly 2:1 female to male ratio. Though girls held leadership positions, it was not in proportion to their dominant numbers.

At the university level, girls and boys appear to continue to enjoy parallel success and failure. Women's Studies is an accepted part of the curriculum and women are integrated into every subject matter. Women major in science and math subjects at the same—if not higher—rate than men. In fact, two years ago affirmative action for men applying to medical school was instituted to balance the nearly 80% women medical residents.

The economic difficulty of the times, however, is forcing women and girls back into their more traditional roles such as caring for the young, sick and elderly, despite the benefits of free education.

Women's Reproductive Health

Access to contraceptive care is free and, due to the large number of family doctors, theoretically accessible. If they were available at all, the entire range of barrier methods, hormonal contraceptives (including implants, injections, and pills) and surgical devices are available to all Cuban women, Recently availability has been sporadic at best. Condoms (the only method of pregnancy prevention that also protects against HIV infection) are exceptionally difficult to obtain and the IUD and sterilization are the most popular forms.

Abortion is also a popular form of contraception. Termination is available until the 10th week of pregnancy and is free of charge. Minors (girls under 18) need the permission of a parent, but this is rarely enforced. The National Center on Sexuality has undertaken a carefully orchestrated, thoughtful, and widely visible campaign to

lower the number of abortions by such efforts as increasing awareness of birth control methods. Abortions constitute 62% (2.9 million) of the number of live births (4.7 million) in statistics reported from 1968–1992. The majority are performed on the age group 15–19.

Women's experiences in childbirth are overwhelmingly positive and healthy. The Cesarean rate is an internationally recommended 16%, the vast majority of women breast feed, and new mothers can remain in the hospital for several days. (Women giving birth, however, are asked to bring with them the most fundamental of supplies, such as light bulbs, sheets, and pans in which to bathe.)

Women in the Sex Tourism Trade

The vast majority of the skilled labor force is composed of women (65%). In addition to traditional service oriented jobs such as chambermaid and secretary, women are doctors, professors and administrators.

With the increase of tourism to the island, sex tourism has become an issue in Cuba. Prostitutes, however, rarely operate professionally. Most are young women who hold regular jobs during the day, and who desire visits to nightclubs, gifts of clothes, drinks, food and access to restaurants, which otherwise are inaccessible to Cuban citizens, male or female. Many of the prostitutes are under sixteen. Some are encouraged by their families in their pursuits, even to marry foreigners. Such marriages must be made with the assistance of the state which charges a fee for each ceremony performed. Prostitution is not illegal in Cuba through recently, pimping as well as less formal encouragements to prostitution have been made illegal.

Recommendations

With the increase in tourism to Cuba, there will be more of an opportunity for small, women-owned businesses to produce and sell products and services with great success. Enterprises such as hairdressing and baking not only require few resources and elementary training, but they are also occupations well suited to women of all ages and various family responsibilities. Supplies should be made as widely available as possible.

The importance of sports to develop girls as confident, healthy, equal members of society is well known in the US. Many people in Cuba explained that there is a lack of organized activity for children beyond the school day. While baseball is the national sport, it is predominantly for boys, as is soccer.

There are many "girls" sports which require little space and equipment such as double-dutch jump roping, cheerleading, dancing and running. Such sports have a beginning, middle and end each year and require little in the way of resources. Local NGO's already initiating such programs should be supported.

There is an intellectual isolation in Cuba due to a lack of books and paper with which to publish. Libraries have hourly lending limitations. Only one or two copies of a particular book exist in the entire country. The delegation urges a greater supply of books and journals to be sent through the University of Havana.

Create a Journal of Cuban Women's issues. Follow the US law journal format, where students apply and are selected to become part of the journal staff. Cooperating universities could select student articles (from a pool submitted by both Cuban and non-Cuban women), assist in the editing and fact-checking process, publish and market the journal.

NEXT STEPS FOR FUNDACION AMISTAD:

As a result of the delegation's observations on its trip, the Fundacion Amistad recommends the following as opportunities for additional support of the women and children of Cuba.

1. The United States government increase educational and professional exchanges between the United States and Cuba.

• A symposium in Cuba with day care directors, providers and other educators in early childhood education.

• A symposium of elementary and secondary school teachers and administrators with a particular emphasis on literacy and successful teaching methodologies in each country

• Meetings between child and adolescent psychologists and educators to exchange research and techniques for community involvement.

2. Private entities in the US create links between Cuban and US organizations designed to foster greater understanding and appreciation of each country, and to provide humanitarian aid.

• Find and encourage organizations to provide basic necessities for Cuban day care programs such as books, crayons, clothing, developmental teaching aides, and children's medicines.

• Develop programs with private schools and organizations to "adopt" individual day care centers, primary and elementary schools for close, one-to-one links to do book drives, special supplies fundraising, and other needed tasks, as requested by the Cuban individual schools and centers. The could be a model program for many cities throughout the US to adopt with rural areas of Cuba, as well as Havana.

• Support increased levels of humanitarian contributions of medicines for hospitals and policlinics for greater accessibility by family doctors. This will also minimize the unpredictability of medicines needed by supplying those that are basic and in constant demand.

• Develop a program with William Soler Pediatric Hospital to support its creation of a pediatric neonatal intensive care unit. And link organizations to this hospital to provide basic necessities for children: bedding and pajamas. Create a "Sabanas Y Pajamas" program.

• Continue to encourage, support and recommend increased financial support to those many effective nongovernmental working in Cuba such as CARITAS, UNICEF, OXFAM, MEDICC and others.

• Create additional Study Abroad programs with US Universities.

• Create exchanges of art exhibits, seminars about the arts, dance, music and literature

DELEGATION PARTICIPANTS' LIST:

Maria de Lourdes Duke (Luly): President of Fundacion Amistad, a nonprofit designed to increase US awareness of Cuban history, culture and society, and to facilitate programs to improve life in Cuba. Also Vice President of The Harbor for Boys and Girls in New York City, an inner-city comprehensive model school and afterschool program.

Gail Furman, Ph.D: child psychologist. Chair of the Children's Task Force of the Women's Commission for Refugee Women and Children. Clinical Professor of Child Psychology, Child Study Center, New York University Medical School. Member of several boards focusing on educational/emotional needs of children.

Ruth Frazier: educational consultant in community organizing. Former President of Futures for Children, a nonprofit in New Mexico doing community work with American Indians; established independent community educational organizations in Colombia, Honduras, Costa Rica and Mexico.

Nancy Lublin: founder and President of Dress for Success in New York City providing clothing and training for women returning to work force. Author of Pandora's Box: A History of Women's Reproductive Rights. Active in women's issues.

Cristina Rathbone: journalist specializing in youth issues, urban poverty, and education. Author of On the Outside Looking In: A Year at an Inner City High School.

Eileen Stern: Director of the National Child Care Program for the United States Federal Government General Services Administration, oversees all federal day care programs.

Mary Ann Schwalbe: consultant to the International Rescue Committee and Save the Children, US. Former director and current Board member of Women's Commission for Refugee Women and Children. Extensive work in secondary and post-secondary education.

Clifford Tepper, MD: pediatrician, Professor of Pediatrics, Albany Medical College. Chief of Allergy Division, Ellis Hospital. Co-Founder of Physicians for Social Responsibility.

Lindsay Thompson, MD: pediatrics resident at Dartmouth Hitchcock Medical Center in New Hampshire. Extensive work with homeless adolescents in NYC

Tanya Sutherland: New York University Law Student; Root-Tilden Scholar.

GENERAL ASSEMBLY OF THE
PRESBYTERIAN CHURCH (U.S.A.)
LOUISVILLE, KENTUCKY 40202–1396

The Honorable Philip M. Crane, Chairman
House Ways and Means Subcommittee on Trade
1104 Longworth House Office Building
Washington, D.C. 20515–6354

Dear Chairman Crane:

As Stated Clerk, and on behalf of the General Assembly of the Presbyterian Church (U.S.A.), the largest and most broadly representative deliberative body of our Church, I want to thank the members of the House Ways and Means Subcommittee on Trade for the opportunity to provide testimony for the record concerning the issue of trade with Cuba.

The Presbyterian Church (U.S.A.) has a relationship with the Cuban people that goes back more than a hundred years. It has resulted in close ties to the active and growing Presbyterian Reformed Church of Cuba. I mention this at the outset merely to indicate that the concerns our Church has about trade are not political or economic abstractions but result from continuing contact with responsible people who share our faith convictions. They help us understand in very concrete ways the damaging effects on the lives of ordinary citizens of our government's policies toward Cuba.

It is out of this relationship that the General Assembly of the Presbyterian Church (U.S.A.) has on numerous occasions called for a lifting of the economic, travel and trade sanctions imposed by our government on Cuba and a normalizing of relationships between our peoples and governments. Whatever justification may once have existed in the minds of some for seeking to isolate Cuba from contact with the United States and the larger world community has long since ended. It is time to move onto a new, more just, practical and fruitful relationship with the people of this very near neighbor.

The Cuban Humanitarian Trade Act, H.R. 1951, falls short of that ultimate goal, but it is an important step from a moral perspective. It is a blot upon our national character that we continue to use food and medicine as weapons in seeking to enforce a questionable political policy rooted in a Cold War logic.

Last year's statement of our General Assembly on Cuba specifically called for "ensuring the access of Cuba to medicines, medical equipment, and major food requirements." I submit herewith the full text of that resolution for the record of the Subcommittee and urge support for H.R. 1951 which would help to fulfill that modest but important humanitarian goal.

THE REVEREND CLIFTON KIRKPATRICK
Stated Clerk

Statement of The Reverend Clifton Kirkpatrick, Stated Clerk of the Presbyterian Church (U.S.A.)

PRECIS

For more than thirty years, the United States has pursued policies designed to bring about the overthrow of the Cuban government. This policy has had heavy consequences for the Cuban people, while strengthening the resolve of the Cuban government to resist what it believes are unjust and vindictive practices by the United States, under heavy influence by its Cuban exile community. Recent legislation by the United States Congress has increased economic pressure on Cuba, at the same time drawing protests from friendly governments as well as the United Nations. While acknowledging that the cold war is over, the United States has continued to pursue a cold war stance against Cuba, in marked contrast to its policies toward some other countries, for example, the People's Republic of China. Presbyterian General Assemblies have repeatedly called upon the United States to pursue a policy of reconciliation and negotiation with the Cuban government. The hostility between the two governments has also limited relations between Presbyterians in the United States and those in Cuba, disrupting the close historical bounds between the two churches. After years of restriction, there is a new openness for the role of religion in Cuban society and churches are growing rapidly, presenting new opportunities for Presbyterians in the United States to relate to and support their Cuban brothers and sisters in Christ.

RESOLUTION

Whereas, the Confession of 1967 has reminded us that "God's reconciliation in Jesus Christ is the ground of the peace, justice, and freedom among nations which all powers of government are called to serve and defend . . ." (Book of Confessions, 9.45); and

> Whereas, the Confession of 1967 has reminded us that
> . . . The church, in its own life, is called to practice the forgiveness of enemies and to commend to the nations as practical politics the search for cooperation and peace. This search requires that the nations pursue fresh and responsible relations across every line of conflict, even at risk to national security, to reduce areas of strife and to broaden international understanding. . . . (Book of Confessions, 9.45); and

Whereas, Peacemaking: The Believers' Calling calls upon the church and Presbyterians as individuals to be actively engaged in the pursuit of peace and reconciliation; and

Whereas, recent openness to religion in Cuban society has resulted in great growth in membership for all churches, including the Presbyterian Reformed Church in Cuba, presenting new opportunities for partnership and support for the life and work of our Presbyterian sisters and brothers in Cuba, bound to us by historic ties of faith and mission; and

Whereas, United States efforts to bring about political change in Cuba through punitive economic sanctions have largely failed and resulted in both hardship for the Cuban people and resentment among numerous friendly governments around the world; and

Whereas, calls by the Presbyterian Church (U.S.A.) to lift the U.S. embargo and normalize relations over the years (1969, 1972, 1977, 1982, 1990, 1993) have gone unheeded; and

Whereas, developments since 1993, including the Cuban Democracy Act and the Helms-Burton Act, have set back the efforts for change in Cuba and the normalization of relationship; and

Whereas, unilateral United States sanctions against Cuba do not enjoy the support of the world community in dealing with Cuba and its leaders, either in terms of their legality under international law, or in their effectiveness, or in the propriety of the coercive aspects as related to the sovereignty of other countries;

Therefore, the 209th General Assembly (1997) of the Presbyterian Church (U.S.A.):

a. Calls upon the United States Congress to rescind the Cuban Democracy Act and the Helms-Burton Act.

b. Renews the call upon the United States government to initiate negotiations with the Cuban government toward the end of reestablishing full diplomatic relations.

c. Renews the call to develop cooperative efforts on radio and television transmissions, detection and interdiction of narcotic traffic, air and sea traffic, environmental protections and nuclear safety issues, improving postal service, eliminating travel and currency restrictions, and ensuring the access of Cuba to medicines, medical equipment, and major food requirements.

d. Calls upon the United States and Cuban governments to facilitate the mediation of the nationalized properties.

e. Renews the call on the United States government to end the economic sanctions that it has imposed on Cuba and to respect the opinion of the world community in this matter.

f. Calls upon the government of Cuba to ensure the political, civil, and religious rights of its people, just as the Cuban government seeks to provide for their economic and social needs.

g. Calls upon the United States to encourage economic investment in Cuba for assisting the Cuban people's efforts to build a just society, and to do so in ways that respect the dignity of the Cuban people and their right to self-government.

h. Encourages presbyteries and Presbyterians to seek to be peacemakers by building relations with Cuba through visits, church-to-church exchanges, provision of humanitarian needs, study, and advocacy of the positions recommended by the General Assembly.

i. Urges congregations and individual Presbyterians to provide financial support for the life and mission of the growing Presbyterian Reformed Church in Cuba through contributions to the Extra Commitment Opportunities established by the Worldwide Ministries Division.

j. Calls upon the United States government to permit the Board of Pensions of the Presbyterian Church (U.S.A.) to pay full retirement, survivor, and death benefits directly to the eligible retired church servants and their families living in Cuba.

k. Directs the Stated Clerk of the General Assembly to communicate this resolution to the President of the United States, the Secretary of State, every member of Congress, the President and the Foreign Minister of Cuba, and the President and the General Secretary of the Presbyterian Reformed Church in Cuba.

BACKGROUND

With the collapse of communism in Eastern Europe and the ending of the U.S.S.R., Cuba fell into what its government calls "the special period" in 1989. It lost most of its trade, its subsidies from former allies disappeared, and its economy fell into severe contraction and depression from which it is just now beginning to emerge. The bitterness evoked by the cold war and memories of the 1962 missile

crisis still influence United States-Cuba relations even though socialist Cuba is no longer a political threat to its giant neighbor to the north. Revenge, ideological resistance to socialism, and a variety of economic interests still fuel this bitterness. However, Americans who believe deeply in the core value of national independence should understand the depth of the political pride of Cuba and its people, independent and free from external domination for the first time in five hundred years. Cuba is now faced with necessary changes in its internal and external relations; but neither its government, nor the majority of its eleven million people will accept compromises to their sovereignty or dignity.

Many United States Presbyterians will reject aspects of the Cuban revolution of 1959: one-party government, dictatorship, suppression or dissent, imitations of Eastern European socialism, and the like. But neither a "yes" nor a "no" to the Cuban revolution gives the United States a right to destroy the Cuban experiment, or to deny or ignore the gains of the revolution in education, health care, food distribution, and other tangible alleviations of poverty.

I. Recent Punitive Actions of the United States

The Cuban Democracy Act (1992) called for a tightening of the United States economic sanctions against Cuba. The bill asked for sanctions against countries doing business with Cuba, prohibiting trade by United States subsidiaries operating in other countries, and prohibiting ships that have docked in Cuba from coming to United States' ports for a period of 180 days. While its economic sanctions are unilateral in character, this legislation was an effort to pressure other governments into supporting the United States in its anti-Castro efforts.

The United Nations General Assembly for five years has voted to urge the United States to end its economic sanctions, thus denying any international legal or moral endorsement for United States action. In the 51st General Assembly, 1996, the vote was 138 to 3, with 24 abstentions. Canada and all European Union countries voted against the United States.

The Helms-Burton Act, passed by Congress in 1996, allows Americans to sue foreign corporations that are using property claimed by United States citizens or companies, but nationalized by the Cuban government in 1959. Thus far, the president has delayed application of that portion of the legislation. It is opposed, even to the point of formal legal protests, by Canada, Mexico, the European community, and others as an unwarranted effort to extend the jurisdiction of the United States law over the sovereign affairs of other countries, and as a violation of free trade agreements under the world Trade Organization. The legislation thereby hampers the appropriate conduct of United States foreign policy.

II. Recent U.S. Complaints Against Castro

A. Human Rights.—Human rights conditions in Cuba receive considerable focus in the United States. Amnesty International suggests that Cuba holds as many as six-hundred persons as political prisoners, always a difficult matter to define and document. Recent activity seems to be focused on a curtailment of freedom of expression, association, assembly, and movement. Cuban Concilium, a coalition of around 140 unofficial groups, has been denied legitimacy and several of its leaders imprisoned. The organizational efforts of lawyers and reporters have been thwarted. Agromontist Union, an independent lawyer's group, and the Cuban Association of Independent Journalists are among the groups that have run afoul of state authorities. Fair trials are difficult because lawyers defending Cubans accused of political crimes are restricted in their access to their clients, to the evidence, and are limited in their capacity to cross-examine or produce witness. Journalists are threatened with arrest for writing materials that could be interpreted as undermining the authority of the state.

B. The Property Issue.—The United States has not disputed the right of a government to nationalize property. In dispute since 1959 have been the terms of compensation. Terms offered by the Cuban government in the early sixties were not accepted and negotiations were ended. Determining the value of properties nationalized more than thirty-five years ago will be complex, especially in light of the chief complaint behind the Helms-Burton bill: that non-Cuban corporations are now using some of the assets left by American companies after 1959. But it is fair to ask if the legal confrontations authorized in the bill, and even international arbitration, are hopeful routes toward a settlement of the dispute. The opening of direct negotiations among all the corporations, businesses, and governments who have a stake in the matter would seem to offer a more practical approach.

C. The 1996 Plane Incident.—In February 1996, two Cessna planes belonging to a Miami-based, Cuban-American group called "Brothers to the Rescue" were shot down by Cuban military planes, not only adding strain to United States-Cuban rela-

tions, but derailing some steps the Clinton administration had been taking toward improvement of relations. Warned in 1995 that continued intrusions of Cuban airspace would lead to attack, the U.S. State Department in turn warned "Brothers to the Rescue" that it could not help them if trespassing occurred.

The right of a country to defend itself is one of the claims of sovereignty and an accepted part of international law. Tragedy of this sort is the more likely when a government like Cuba's lives under the constant pressure of a stronger government that seeks its downfall. As long as that state of relations continues, tragic results can occur from illegal civilian initiatives.

D. The Failures of the Cuban Economy.—Many Cubans will admit that the government's economic planning has not always been wise, and imitation of Eastern European state models has not led to notable economic success. Nonetheless, in face of the thirty-five-year U.S. embargo, and since the departure of the Soviets in the early 1990's, Cubans and their government have endured their "special period" of hardship with remarkable commitment to the sharing of that hardship. They have continued to provide food, medical care, and education for basic survival needs for virtually every citizen. Moreover, in the past five years its socialist government has begun to negotiate new connections with the market economies of Canada, Europe, and other Latin American countries, and to open economic opportunity for private initiative by Cuban citizens in several areas of the economy. These steps have led to recent economic growth and it seems even mroe unlikely than before that the U.S. embargo will cause the collapse of Cuban socialism. In any event, Christians should be deeply disturbed about the morality of a policy intentionally based on the continued economic misery and punitive pressure on the daily lives of almost all of Cuba's eleven million people.

III. Religious Developments

Even though Fidel Castro had been educated in Jesuit schools and a number of Christian leaders had supported the revolution, in the early 1960s the schools operated by both Roman Catholic and Protestant bodies, along with some other properties, were nationalized. Following the declaration of the socialist character of the revolutioon, all churches labored under many restrictions as the government pursued an active campaiagn against religion. These restrictions began to ease in the late 1980s, particularly after an intensive dialogue between Castro and Protestant leaders in 1990 that was broadcast on Cuban television. This greater openness to religion was symbolized in changes in the Cuban constitution in 1992, prohibiting religious discrimination in education, employment, and other social relations, and removing the bar to membership in the Communist Party by Christians. These changes have led to remarkable growth in religion in Cuba among both Roman Catholic and Protestant bodies.

A. The Roman Catholic Church.—Cuba, like other Latin American countries, was predominantly RomanCatholic. The loss of their extensive schools and properties was a great blow, and the allegiance of the church to the papacy increased tension with the revolutionary regime.

In Rome in November 1996, for the World Food Conference, President Castro met privately with Pope John Paul II. The visit brought confirmation of an invitation and acceptance for a papal visit to Cuba in early 1998. The private meeting had been preceded by the Cuban visit of senior Vatican diplomat, Archbishop Jean-Louis Tauran the preceding month. His five-day visit concentrated on church-government relations and on the details of the potential papal visit.

Roman Catholic policy toward the Cuban government is not yet clear and the bishops of the Cuban Catholic church have recently published criticisms of government policy—an action that assumes some increase in religious liberty in the society. At the same time, Vatican representatives have joined in criticisms of U.S. policy toward Cuba.

It remains to be seen what impact the forthcoming papal visit will have on Vatican-Cuban relations and the general religious climate in Cuba, whether it will weaken or strengthen Castro's leadership, and whether it will make any difference in U.S. treatment of Cuba.

B. The Presbyterian Church (U.S.A.) and the Presbyterian Reformed Church in Cuba.—United States Presbyterians have had a long relationship with Cuban Presbyterianism. Missionary activity began late in the nineteenth century. Until 1967, the Presbytery of Cuba was part of the Synod of New Jersey. Retired church workers and their families in Cuba from that period are entitled to vested pension and death benefits under the church's Benefits Plan. Following the establishment of an independent Presbyterian church by action of the 1966 General Assembly of the UPCUSA (Minutes, UPCUSA, 1966, Part I, p. 233), the PC(USA) has been in continuous ecumenical relations with that body. These relations have been made dif-

ficult by restrictions imposed by the Cuban government on religious activities and those imposed by the U.S. government limiting travel, refusing to license the Board of Pensions to pay the full benefits due to the retired church workers and their families, and greatly restricting the transfer of general funds to support the Presbyterian Reformed Church in Cuba. The PC(USA) has given support as legally permitted, sending and receiving representatives and sending medical and educational materails.

Since 1990, the Presbyterian Church in Cuba has experienced steady and remarkable growth, bringing new requirements for resources to renovate and open churches closed for years, establish new congregations, train new leaders, produce new educational resources, and prepare new pastors. Those resources must come largely from Christians outside Cuba and the Cuban church has forged partnerships with churches in Canada and Europe, as well as with presbyteries of the PC(USA). The PC(USA) has obtained a license to send more funds to the Presbyterian Church in Cuba if those funds are made available by congregations, opening the opportunity to renew the historic bonds between two churches.

IV. Conclusion

The 202nd General Assembly (1990) of the Presbyterian Church (U.S.A.) concluded its major study on Cuba with the following words:

> Presbyterians are inheritors of an explicit and consistent record of General Assembly public policy positions in support of the normalization of U.S. relations with Cuba. This consistent position is the expression of a theological tradition that sees reformation as an ongoing process of setting things right. . . . We also treasure that theological insight which is at the heart of the whole Judeo-Christian tradition: God's ever-present promise of a new beginning for those who repent.
>
> In his ministry, Jesus affirmed life over those institutional forces of death which, in his contemporary Jewish society, had come to be justified in religious terms. The crucifixion and resurrection of Jesus Christ confront and unmask the powers of death, those false divinities, such as the idolatry of power and empire, by which we demonize the adversary of the moment and make gods of prudential and national security calculations . . . . (Minutes, 1990, part I, pp. 615–16)

Statement of Brenda L. Smith, President, global links

SUMMARY:

I urge the committee, on humanitarian grounds, to support the bills H.R.1951 and S.1391 which lift restrictions on Cuba's ability to purchase food and medicine from the United States. Despite the success of our Cuba Medical Aid Program, the committee must understand that such programs only partially offset the deleterious health impact of existing restrictions. Moreover, the transparency and accountability of our donation program over the last four years suggest that satisfactory mechanisms for the sale of food and medicine could likewise be established. Finally, the amount of assistance that global links can afford to offer is limited by those restrictions which force us to ship via Canada, making nearby Cuba an unnecessarily expensive destination.

global links is a non-profit organization based in Pittsburgh, Pennsylvania, which specializes in recycling surplus medical supplies and equipment to facilities treating the poor in developing countries. Since 1990 global links has worked in cooperation with the Pan American Health Organization/World Health Organization (PAHO/WHO) to deliver medical supplies, biomedical equipment, pharmaceuticals, and hospital furnishings to countries in the region including Nicaragua, El Salvador, Jamaica and Guyana.

Since 1994, global links has donated 30 ocean containers (tractor-trailer loads) of medical aid to Cuba worth over $25 million. No other charity in the U.S. has sent more. As with all global links programs, this is a humanitarian effort undertaken without regard to political considerations. global links has applied for and received all required licenses from the U.S. government for the shipments.

Careful records are kept regarding the distribution and use of all goods shipped. PAHO is the consignee for our shipments to Cuba, and oversees the distribution of the materials to public hospitals, health centers, libraries and pharmacies. We have

receipts, signed and dated, from each facility for every item delivered. Members of global links' staff and Board of Directors make regular visits to Cuba to verify the distribution and use of our donations. This information has allowed global links to maintain high standards of quality and accountability for our donated medical supplies. We see no reason why quality and accountability could not also be guaranteed for purchases of similar materials.

Despite the success of our Cuba Medical Aid Program, our experience has made it clear to us that no country's health system can be run on donations alone. First of all, many medicines are simply never made available for donation. Moreover, even when a crucial medicine is available, the unpredictability of future supply can limit the benefit of the donation or even have harmful effects on the population.

In 1994, for example, global links donated 1.25 million tablets of Doxycycline, enabling Cuban health authorities to launch a very successful program to combat Leptospiroses. When we were approached the following year for an additional contribution of Doxycycline, however, we were unable to obtain any and the program had to be discontinued.

This unpredictability of supply is especially problematic for situations where partial treatment is worse than no treatment at all—the treatment of AIDS and high blood pressure, or hypertension, are two examples. In these cases, a seemingly valuable donation can be of little use or even harmful because of the inconsistency of supply. global links is periodically offered quantities of expensive protease inhibitors used in the treatment of AIDS. However, for these to be used as part of a long term treatment program future supply would somehow have to be assured. To start and then stop the treatment would simply "teach" the AIDS virus how to combat the drug.

Furthermore, there are at least 60 drugs that can be used to treat high blood pressure. Not all of them work for every patient and switching from one drug to another can be harmful. Therefore when the patient finds the one that works they need to continue with it. We are concerned that those patients who are seeing positive results with the U.S. manufactured anti-hypertension drugs that we have been able to obtain will have to change treatments unnecessarily when the current supply is exhausted.

Finally, restrictions on shipping to Cuba from U.S. ports hamper our charitable mission by adding at least $1000 to our shipping expenses for each tractor-trailer load of supplies we ship. Overall, these restrictions have cost global links at least $30,000. With those funds, global links could have delivered an additional $2 million worth of medical assistance to the people of Cuba.

In conclusion, it is global links' mission to work for the improvement of health around the world regardless of political considerations. However, we feel obligated to testify that the passage of H.R. 1951 and S. 1391 would do as much for the health of the Cuban people as all of our shipments put together. Furthermore, it would also enable global links to increase the impact of our Medical Aid Donation Program.

Statement of Hon. Lee H. Hamilton, a Representative in Congress from the State of Indiana

Chairman Crane and Ranking Member Matsui, I appreciate the opportunity to submit a statement for the record of your hearing today on US policy toward Cuba. This hearing is timely, and I commend you for your leadership on this important issue.

THE US NATIONAL INTEREST AND POLICY CHOICES

The US national interest in Cuba is in a peaceful democratic transition. We are confronted in that country with a Communist government that is hostile to international norms on freedom and human rights, let alone a peaceful transition to democracy. We learned in the Cold War that the best way to move such a country toward freedom is not through isolation but through intensified and broad engagement with its people. Through trade, travel and extensive educational and cultural exchange we influenced a generation of eastern Europeans.

Trade exposes otherwise isolated people to US ideas and values, strengthening sectors other than the government to address the needs of the people. It is no coincidence that those countries most isolated are also those most unwilling to recognize basic international standards on human rights and freedom. Trade also offers citizens in repressive societies the opportunity to interact with American executives

and employees, exposing them to new ideas about the principles of the free market and to positive US business practices.

Our policy toward Cuba ignores the historical record on engagement and trade. Our policy escalates economic pressure, with the goal of forcing the Cuban government to capitulate or inducing a desperate people to overthrow the Castro regime. This policy harms the Cuban people and increases the likelihood that change, when it comes, will be violent.

THE IMPACT OF US POLICY

No country supports the US policy of isolating the Cuban people. Pope John Paul II and Canadian Prime Minister Jean Chretien are just the latest in a steady flow of western leaders to visit the island. Our Caribbean neighbors are pushing for Cuba's inclusion in their community of nations, CARICOM, and our Latin American neighbors are pushing for Cuba's accession to the Organization of American States.

Our insistence on pursuing a policy toward Cuba based on historical animosity instead of prudent foreign policy calculations leaves us isolated in the international community. Our policy leaves us with few supporters, even when we push for meritorious measures to criticize Cuba, as was the case just last month at the United Nations Human Rights Commission in Geneva.

Our policy of pressure reduces the likelihood that any transition in Cuba will be peaceful. If economic sanctions create sufficient hardship to cause social unrest, the most likely consequence would be widespread political violence. This would be a tragedy for Cuba and a disaster for the United States. Civil strife would generate a tidal wave of refugees and would generate intense domestic political pressure for US military intervention.

Castro's repression and his catastrophic economic policies are no doubt the main cause of suffering in Cuba, but we cannot escape responsibility for our own policy. US law prohibits food sales to the island and greatly complicates the sale of medicine. The Helms-Burton law has driven up the cost of money—interest rates—so much as to create a cost of living crunch that hurts average Cubans.

Current US policy lets Castro dictate the pace of change in Cuba. US regulations on travel artificially limit the number of Americans—sources of information and support for the Cuban people—who visit the island. An arbitrary cap on cash remittances from the U.S. slows the main source of capital for Cuba's independent entrepeneurs. Our insistence on isolating the Cuban people gives the regime a convenient excuse for its many failures.

TOWARD A NEW POLICY

The United States should open the door for a positive, rather than punitive, influence on Cuba's future by expanding contact with the Cuban people.

First, the US should abolish restrictions on travel to Cuba. Interaction with US citizens, business and humanitarian leaders will broaden access to ideas and information within Cuba, breaking Castro's monopoly on ideas and easing fear of change within Cuba.

Second, the US should abolish the arbitrary cap on cash remittances to the island. Evidence suggests that remittances from the US provide the capital investments that Cuban entrepreneurs need to start independent businesses. There is no doubt that these businesses erode the control that the government exercises on the Cuban economy and give more and more Cubans independent sources of income.

Third, the Administration should endorse, and Congress should approve, proposals to lift the embargo on the export of food and streamline the regulations on the export of medicine to Cuba. Such a change will permit Cubans access to advanced US medicines and will open Cuba to the positive influences of US business.

Finally, the US should move step-by-step to lift the overall embargo. An influx of US business leaders will expose the Cuban people to new ideas about free markets and human freedom and will challenge the regime's absolute control on the island. It is openness, not isolation, that Castro fears. It is an invasion of US people, information, and ideas that poses the greatest threat to Castro, and offers the greatest hope for a peaceful transition to democracy.

Statement of Interreligious Foundation for Community Organization

The Interreligious Foundation for Community Organization (IFCO) is a 30-year-old national ecumenical agency which has been working for reconciliation in the area of US/Cuba relations since 1991. In these last seven years, we have taken dozens of delegations and humanitarian aid missions to Cuba. We have visited Cuba with diverse groups of concerned US citizens—including clergy and diocesan delegations, Rotarians, health care professionals, and Congressional staff. We have seen with our own eyes the many ways in which the archaic US trade sanctions have had a brutal impact on the people of Cuba—particularly on Cuban children and families, on the infirm and the elderly, on the most vulnerable Cuban citizens.

We have also cultivated close working relations with the religious sector in Cuba, specifically with the evangelical/Protestant churches which have grown so extensively in the last 10 years. We would like to share some of what we have learned from them regarding the distribution of humanitarian aid, food and medicines in Cuba. We are grateful for the opportunity to present this testimony to the Subcommittee on Trade of the House Ways and Means Committee.

For a more comprehensive look at "The Impact of the US Embargo on Health and Nutrition in Cuba," we would refer you to the 300-page report of the American Association for World Health (AAWH), and to a number of other articles and reports (by the American Public Health Association, OXFAM, Kirkpatrick and Vanden, Garfield and Santana, Washington Office on Latin America, and others). Our main intention in this statement, however, is to share with you some eyewitness accounts of how we have seen people living in Cuba's "special period," since the fall of the Soviet bloc and the tightening of US economic sanctions. Let us share with you these pictures of the things we have seen in Cuba:

- households functioning without lightbulbs and batteries
- parents who don't have syringes to give insulin to their diabetic child
- a widow caring at home for her elderly mother with Alzheimer's disease—and facing the constant challenge of maintaining the health and hygiene of the disoriented, incontinent mother, when soap and detergent are unavailable for months at a time, and there are no extra sheets or towels, not to mention medications
- a 40-year-old telephone system, many lines still above-ground, where, on a rainy day, it can take an hour or more to place a call from one Havana neighborhood to another
- no spare parts for ambulances, for automobiles, for elevators, for medical equipment
- a communal playroom for elementary school kids who have no other access to toys
- a chemistry teacher in Havana's most selective science high school trying to design oral exams for her advanced chemistry students, because there's not enough paper to give written tests
- a beloved Baptist pastor who died after a kidney transplant [and in how many developing nations would the pastor of a poor urban church have access to an organ transplant free of charge?] without the cyclosporin needed to sustain her new kidney
- a family doctor boiling the leaves of the orange tree which grows in the clinic yard, to make cough medicine for her patients with bronchitis
- another family doctor who tells us that she relies on donations of paper from her patients in order to maintain their medical records
- women who have had to make do for years without sanitary napkins or tampons (and who waited for months to talk with us about this because they found it so humiliating)
- children on a pediatric cancer ward vomiting 20 times a day because the anti-nausea drugs which suppress the side effects of their chemotherapy are not available
- a hospital with 50 bicycles parked in front, because there is no fuel for automobiles—and in the empty parking lot, a field of aloe has been planted to treat burn victims
- dozens of Cubans lined up at the doorsteps of churches on the days that donation shipments arrive, each one of them clutching prescriptions: "my father needs pills for his ulcer"; "my daughter needs an asthma inhaler"; "my grandmother has an infection and needs penicillin" (and the pastors inside the church explaining that all those medicines used to be readily available at any Cuban pharmacy—"but in these last few years, the churches have to be pharmacies too...")
- heart patients who can't get pacemakers—not since the division of Siemens which used to sell pacemakers to Cuba was acquired by a corporation based in St. Paul, Minnesota

• a woman who walked three miles to the church where we were staying, to thank us for the donation of a wheelchair: she explained that, until they received that chair, her adult son with full-blown cerebral palsy had not been able to leave their house since he'd gotten too big to carry

• a father of two young girls who explained, "I used to wear size 32 jeans, and now I wear size 27; it's because what food there is, we give first to our daughters."

These eyewitness examples illustrate some of the direct effects of US economic sanctions—effects which strike us as petty, meanspirited, counterproductive, and essentially immoral.

Cuba's critics here in the US would like to blame all these shortages on the Cuban government. But we have found that the Cuban people hold a very different view. They weren't suffering all these dire shortages before 1991. When goods were available in Cuba, they were distributed equitably by the very same Cuban government now in power. The basic needs of eleven million people were met for many years. And the US embargo had only a marginal impact, because 85% of Cuba's economy was tied to the Soviet bloc. With the Soviet collapse and the end of the 'cold war,' Cuba would have been an easy new market for the US. As the Cuban people understand it, our government passed up a golden opportunity to open a new era in US/Cuba trade relations, and chose instead to implement the so-called Cuban Democracy Act (CDA) and tighten the stranglehold of its archaic economic sanctions.

We would contend that, if we want the Cuban people to grow in their respect for the United States as a neighbor nation and a potential ally and trading partner, then we must stop contributing so directly to all this petty suffering which has had its most direct impact on Cuba's most vulnerable—the children, the elderly, the disabled and the infirm.

Distribution of humanitarian aid, food and medicines. Cuba has been accused of all sorts of gross violations—virtually all of them unsubstantiated—with regard to the distribution of humanitarian aid, the use of medical aid for torture, etc. We find it ironic that these particular accusations continue to be made against a nation that offers universal vaccinations, exemplary primary and maternal care, health care which is universal and free of charge. In fact, Cuba has a model health-care delivery system which has been internationally recognized as one of the world's best. As Rep. Charles A. Rangel (D–NY) said in a press conference last June, "Of all the complaints that one might have against Cuba, health care delivery is certainly not one of them."

Cuba has also been loudly criticized for practicing "medical tourism"—for offering some of its innovative treatments for skin disorders, retinitis pigmentosa, radiation sickness, and other intractable diseases to foreign patients on a fee-for-service basis. But we would challenge you to name another nation which doesn't charge fees to some patients who can afford to pay, in order to subsidize the treatment of others who cannot. Then we'll ask you to remember that, by these means, Cuba is trying to subsidize the treatment of 11 million of its own citizens, plus many poor patients from other developing nations, at no cost to them. (And then we'll ask you to show us where in our own country a poor patient might go to get prescription medicines for free—as any citizen of Cuba was able to do, in any Cuban neighborhood, before the enactment of the CDA.)

In response to the common claim that aid sent to Cuba all ends up in the hands of "tourists and the Communist elite," we would contend that it is only because of Cuba's equitable and broad-based distribution system that we did not see wholesale death by starvation in Cuba after the collapse of the Soviet bloc—the sort of large-scale starvation that we have seen recently in North Korea or in Iraq. It is only because of Cuba's thorough distribution of donated vitamins and nutritional supplements (and their willingness to work cooperatively with international health agencies) that thousands of Cubans were not permanently blinded in the optic neuropathy epidemic of several years ago. It is only because Cuba has worked so hard to distribute what little medicine it had (and to invent substitutes for what it didn't have) that we haven't seen more people dying there for lack of a simple antibiotic.

Regarding the licensing of medical sales and donations to Cuba: We have heard members of Congress claim that there is no blockade on food and medicines to Cuba. We have heard Congressional staff say that "any US corporation that wants to can get a Commerce license to sell medicines to Cuba." An analysis of all of the Treasury and Commerce Department licenses granted since the enactment of the CDA was recently conducted by Kirkpatrick and Vanden [and has been submitted as separate testimony to this hearing; we urge you to study it], and was reviewed by the Congressional Research Service. Of 36 licenses actually approved, five were for travel, not for sales. Of the remaining 31 licenses, many were for items that were never in fact sold to Cuba—but rather were sold to international relief agencies such as

the United Nations for donation to Cuba. The total dollar value of actual licensed medical sales to Cuba (including, again, the items actually donated) is given at approximately $1.67 million. And what does that total include? A half-million dollars' worth of contraceptives (IUDs and Provera); several big pieces of specialized medical equipment; and not very much else. ($1.67 million does not buy very much medical merchandise in the economy of the 1990s.)

Knowing the US market economy as we do, if it were really easy for US corporations and their subsidiaries to sell to Cuba, wouldn't they all be doing it by now?

This points to one of our most serious objections to the practice of US government licensing of aid and trade to Cuba. The existence of a small amount of licensed aid and trade is being used here to help put a pretty face on a brutal set of sanctions—the same sanctions which have been creating the sorts of daily hardships we have described above. When distinguished members of Congress write "dear colleague" letters which say "Don't be fooled—the United States is already allowing large-scale humanitarian donations and sales of medicines and medical supplies to Cuba," they quote inflated figures about licensed aid and trade, and they are hoping that we won't notice the following—

• that a powerful embargo on medical trade to Cuba does in fact exist: that US-based pharmaceutical and medical supply companies have found the Treasury/ Commerce regulations so onerous that they have not sold more than a miniscule amount of medical goods to Cuba since the enactment of the CDA.

• that no national health care system (especially one as advanced as Cuba's) should be made to run solely on donations. Comprehensive treatment planning cannot be totally dependent on waiting to see which medicines happen to show up with which church aid shipment, or when a spare part to fix an X-ray machine might arrive.

• that our government's policy toward Cuba has not been one of generosity or charity, but rather one of deprivation, starvation and denial. Even if the total dollar values of US medical aid and trade claimed by State and Commerce were correct [and other testimony to this hearing will demonstrate that those figures are seriously inflated], that aid and trade would not come close to meeting Cuba's annual budgeted health care needs. Even if the US had licensed $227 million in medicines and medical supplies to Cuba, that would amount to a multi-million-dollar Band-Aid which our government seems eager to place on the multi-billion-dollar injury which US sanctions have already (and perhaps inadvertently) inflicted on the Cuban people.

• that the emphasis on "US humanitarian assistance to Cuba" is also essentially misleading; Cuba wants trade, not aid. Cuba is not seeking alms from the US or asking to become a charity state; and we must not encourage that sort of dependency.

We should not set the conditions for unneeded Cuban dependence on US tax dollars by stepping up charity aid to Cuba—not even if a serious need for that aid has been created by our own government's sanctions. We believe that both the US and Cuba would be better served—on economic as well as on moral grounds—by opening trade relations with Cuba. This should begin immediately, and at the very least, in the area of food and medicines, and should extend as soon as possible to other aspects of commerce.

We urge the members of the Ways and Means Committee to move decisively toward a new and more humane era in US/Cuba trade relations, and to end this current era of meanspirited and misinformed trade policy.

REV. SCHUYLER RHODES
President
REV. LUCIUS WALKER, JR.
Executive Director
ELLEN P. BERNSTEIN
Grants Administrator

Statement of Anthony F. Kirkpatrick, M.D., Ph.D., University of South Florida, College of Medicine and Harry E. Vanden, Ph.D., University of South Florida, Department of Government and International Affairs

ABSTRACT

Health care in Cuba used to be the envy of Latin America. In the last decade the loss of preferential trade with the Soviet bloc plunged Cuba into a severe economic crisis and brought Cuban health care to the brink of catastrophe. It was at that moment in time that the United States implemented the 1992 Cuban Democracy Act which banned the sale of food and severely impeded the delivery of medicines to the island nation. In fact, five months after the passage of the Act, this century's worst epidemic of neurological disease due to a food shortage became widespread in Cuba. This report documents in detail how the US State Department launched a series of "fact sheets" that grossly misrepresented the facts about humanitarian trade with Cuba in an effort to defend the US policy of restricting the island's access to food and medicine. Statements made by the State Department suggest a deliberate intent to cover-up and deceive the public. Until the US Government lives up to the commitment it made to international humanitarian law when it ratified documents like the Fourth Geneva Convention, it will continue to do grave harm to the civilian population of Cuba through its obstruction of the delivery of food and medicine. The Convention states that the parties agree not to impede the flow of food and medicine to the civilian population of a nation, even in time of war.

Tightening of the US Embargo in 1992:

The 1992 Cuban Democracy Act (CDA) tightened control over the shipment of the basic necessities of life to the Cuban people. (1) The Act banned the sale of food from the United States and US foreign subsidiaries but permitted sales and donations of medicines and medical supplies to Cuba providing the exporter was issued a special US export license. The license is issued with the agreement that there is no reasonable likelihood that the medical items would be diverted to the Cuban military, used in acts of torture or other human rights abuses, or re-exported or used in the production of biotechnology products. If the product is purchased by the Cuban health system, which is operated by the Cuban Government, the company is subject to a more onerous requirement. It must make arrangements to carry out "onsite inspections" in Cuba by a non-governmental organization (NGO). The company is required to "certify" within a specified period (usually 6 months) that the medicine was "used for the purposes for which it was intended and only for the use and benefit of the Cuban people." Through the plain language of the Act, if the medicine is diverted and used to treat a military person or a foreign tourist visiting Cuba (albeit someone dying in agony from spinal meningitis) that would be a technical violation of the embargo. If certain procedures are not followed, the manufacturers could be subject to fines up to $1 million per violation for corporations and prison terms up to 10 years for individuals. However, this onerous burden of end-use monitoring in Cuba does not apply to a company with a US-approved export license to donate (or sell) a shipment of its medical supplies to a US-approved NGO (e.g. the United Nations, Catholic Church) who intends to donate the medical products to the Cuban people.

Misrepresenting The Facts about Commercial Medical Sales:

In the wake of disturbing scientific reports showing the devastating effect of the US embargo on the health of the Cuban people (2–4), legislation has been introduced in the US Congress to allow Cubans the ability to purchase food and medicine from American companies. (5–7) In a sweeping six-page "Fact Sheet" titled "Myth Versus Reality," published on May 14, 1997, the US State Department rejected the entire basis of the reports. (8) In its "Fact Sheet" the State Department declared that there is no embargo on the commercial sale of medicine and medical supplies to Cuba because the 1992 CDA "permits" the U.S. Government to "routinely" issue licenses to sell medicine and medical equipment to Cuba. In further support of their claim, the State Department stated that 36 of 38 license requests were approved for US companies and their subsidiaries to carry out "commercial sale" of medicine and medical equipment to Cuba. The fact sheet states that "the only requirement" for a U.S. company to carry out such sales is to arrange for end-use monitoring in Cuba. (8)

However, careful review of the export licensing regulations reveals an effort by the State Department to inflate medical sales to Cuba. For example, the State Department wants us to focus on the number of licenses approved rather than the number of companies doing medical business with Cuba. Using just the numbers of

licenses will give an inflated picture because each shipment to Cuba requires a special license. Separate licenses are also required for each clinic, hospital or organization in Cuba buying medicine. The approval of a US export license is like a fishing license: you are authorized to fish, but you are not required to go fishing. Also, the application for a license does not mean that the product will be shipped in a timely manner. For example, in the case of the sale of a drug (fluspirlene) used to treat a potentially life-threatening condition, schizophrenia, the US Government delayed the approval for one year. (2, 9)

Statements made by the State Department reveal more than just twisting the truth: there is a pattern of deliberate deception and cover-ups. On July 29, 1997, we wrote a letter to Secretary of State Madeleine Albright pointing out that the claim of 36 medical sales was a gross overstatement. (10) In response, the State Department, quoted in the Los Angeles Times, said, "If there is an error, we'll correct it." (11) On August 5, the State Department published a second "revised and updated" fact sheet. (12) The number of licenses approved was reduced from 36 to 31 for commercial sale of medicines to Cuba and the State Department acknowledged that it had failed to report that an additional license had been denied. Five of the 36 licenses approved were solely to allow medical company executives to travel to Cuba and explore possible sales. To actually sell their products, the companies must apply for another license. (8,12,13) Again, on September 5, 1997, we informed Secretary Albright that the numbers were still grossly inaccurate. (14) Responding on the behalf of Secretary Albright, Michael Ranneberger, Coordinator of Cuban Affairs, wrote, "I take great exception to your assertion that the facts presented in the August 5 fact sheet are 'inaccurate,' 'false,' and 'misleading'. The fact sheet was carefully prepared in the most accurate possible way, based on the latest information available, and we stand by the facts as presented." (15) Again seeking clarification, we filed a request with the Department of State requesting the documentation that would support their conclusions. Our request was denied. (16)

The State Department said its revised and updated fact sheet was based on records at the Departments of Treasury and Commerce. Recently, the lead author was able to obtain records from these US agencies under a Freedom of Information Act request. The table shows that only 8 licenses were issued for the commercial sale of medical supplies to Cuba, not the 31 adamantly claimed by the State Department. All 3 of these companies were required, as stipulated by the CDA, to make arrangements for onsite inspections in Cuba for end-use certification that the medicine was "used for the purposes for which it was intended and only for the use and benefit of the Cuban people." Obviously, requiring companies to police the distribution of their goods will scare most away from trading with Cuba. It is our understanding based on discussions with staff members at the World Health Organization (WHO) that some medical companies refuse to quote prices to the WHO for sale of their products to Cuba for fear of reprisals by the US government.

Fourteen export licenses were issued as "donations" to the Cuban people as defined by the CDA. Therefore, none of these medical companies were required to meet the onerous requirement noted by the State Department fact sheet for commercial sales, that is, they were not required to arrange for end-use monitoring of their products in Cuba. Further, according to correspondence we received from the Commerce Department, three of these 14 licenses for donations were issued by Commerce as commercial "exports" and this agency did not compile a record of the actual shipment of these medical products to Cuba. Without such documentation, these licenses qualify as donations, not sales, to Cuba as stipulated by the CDA (see below). Nine export licenses listed as commercial sales by the State Department and claimed to be "permitted" by the CDA were actually pre-CDA sales and, therefore, did not have to meet the stringent requirements of the CDA. Only 3 of the world's U.S. related medical companies have attempted to brave US regulations since the enactment of the CDA. The number of companies granted US licenses for commercial sales to Cuba has fallen to less than 4% of pre-CDA levels. (2)

There is no record of any commercial medical sale from a US company selling US-made products. All 8 commercial medical sale licenses listed in the table were issued by the Treasury Department to US foreign subsidiaries. The Administration's chief administrator of the US embargo, Richard Newcomb, reports that the Treasury Department retains the responsibility for licensing exports of medicines and medical supplies from US foreign subsidiaries while the Commerce Department licenses US companies selling US-produced products. (17) According to Newcomb, all post-CDA "commercial sales" to Cuba require documentation that the licensed medical supplies were actually shipped to Cuba. But the Commerce Department reports that it does not carry out such documentation, nor is it "charged" to do so. (18) Therefore, the US Government has not established a mechanism for commercial medical sales to Cuba from US companies selling US-made products even though the CDA has

permitted such sales for over 5 years. In January 1998, the Tampa Tribune reported on the difficulties encountered by American companies attempting to sell medical products to Cuba. Commerce's Director of export licensing for Cuba is quoted as saying "few American companies even apply for a license, either because they are unaware medical sales are legal or they doubt Cuba has the means to pay." (13)

Similarly, the State Department misrepresented the facts to Congressman Esteban Torres (D-Calif), the leading architect of pending legislation aimed at permitting the sale of food and medicine to Cuba. In a letter, Torres asked the State Department how many of the licenses claimed as commercial sales, under the CDA, were actually pre-CDA licenses. He was informed there were only 3 when, in fact, there were 9. (17,19)

Further, the US Government, for its part, seems to make a concerted effort to intimidate medical companies. For example, the largest pharmaceutical company in the United States, Merck, was prosecuted for what the US Government called an "inadvertent and technical" violation of the embargo. As a result, Merck announced it will never do business with Cuba until the embargo is lifted. (2) Similarly, in Miami the US government promoted a hotline to engage the public in reporting suspected illegal shipments of medications to Cuba. This adverse publicity intimidates and further deters other medical companies that might wish to sell their products to Cuba. (2,9)

Misrepresenting the World Health Organization:

Cuba's shortage of medicines and medical supplies, according to the State Department's fact sheets, is not the result of US policy but rather of the Cuban government's "continued adherence to a discredited communist economic model," which requires a deliberate emphasis on military spending at the expense of other priorities such as health care. (8,12) In further support of its claim, the State Department attributes the following to the Pan American Health Organization (the regional office of the World Health Organization). "According to the Pan American Health Organization [PAHO], the Cuban Government currently devotes a smaller percentage of its budget for healthcare than such regional countries as Jamaica, Costa Rica and the Dominican Republic." (8,12) When PAHO was notified of this claim attributed to them, they rejected ownership. Furthermore, PAHO responded by issuing a report that refuted the State Department's claim that Cuba spends less on health care than the countries named by the State Department. (20) Indeed, Cuban governmental expenditures on health as a share of GDP are higher than for any other country in Latin America and are some 34% higher than the United States.(9) On July 29, 1997, Secretary of State Madeleine Albright was informed of PAHO's report. The State Department did not bother to set the record straight in its revised fact sheet of August 5 and has not done so since.

Congressman Torres wrote to Secretary Albright asking for a reference for the data State Department attributed to PAHO. Neither of the two sources cited by the State Department compared all four countries for the relevant health economics. (21,22) In fact, one of the references cited by the State Department states that "health has been a priority of the (Cuban) Government for three decades." (21)

Recently, the American Public Health Association reported, "Even in the worst economic times, Cuba has consistently made health a top priority and has allocated the funds necessary to maintain the health system. While other countries throughout the world responded to global recession by cutting back on resources dedicated to health, Cuba has sustained its investment in health." Fidel Castro's concern for public health has been recognized by the World Health Organization. (9,23)

Aside from a country's commitment of financial resources to health care, medical outcomes and the efficiency of the overall healthcare system are important. The indicator most often used by the United Nations to assess a country's overall health status is the under-age-five mortality rate. Cuba compares to the US for this health indicator, ahead of all other Latin American countries. Cuba has a per capita Gross Domestic Product lower than any of the other Latin American countries named by the State Department and less than one-twentieth of the United States. The figure shows that Cuba has achieved a remarkable position in the world for health care of its children.

However, the US embargo has a direct impact on the life expectancy of the people in Cuba. As José Teruel, a physician who monitors Cuba for the World Health Organization, has remarked, "You're probably talking about a shortening of lives through the embargo, denying people medicines and care who would have better care in a normal situation." (24) Indeed, a recent report has noted an increase in the number of deaths in the elderly Cuban population. (25) Preferential distribution of scarce goods and priority programs for children and women will continue to increase the vulnerability of elderly people.

Other Consequences of the Embargo:

In 1992, the U.S. government ignored a warning of the American Public Health Association that tightening the embargo would lead to an abrupt cessation of supplies of food and medicine to Cuba resulting in widespread "famines." In fact, five months after the passage of the Act, this century's worst epidemic of neurological disease due to a food shortage became widespread in Cuba. More than 50,000 of the 11 million inhabitants were suffering from optic neuropathy, deafness, loss of sensation and pain in the extremities, and spinal disorder that impaired walking and bladder control. (2) In 1995, the Human Rights Commission of the Organization of American States (OAS) wrote Washington that the provisions of the U.S. embargo aimed at restricting Cuba's access to medical products create such bureaucratic and other requirements as to render these products "virtually unattainable" in Cuba. Further, the OAS wrote that the United States government was violating international law and universally recognized human rights by denying food and medicine to the Cuban people. The commission asked the United States to take immediate steps to lift the embargo on food and medicine. To date, the U.S. government has not responded to the letter. (2)

Recently, the Clinton Administration took a small step toward improving shipment of food and medicine to Cuba by proposing the restoration of direct charter flights for humanitarian purposes between Miami and Havana. Global Links is one of the largest U.S. donors of medical aid to Cuba. Since 1994, it has donated 29 ocean containers (tractor-trailor loads) of medical aid to Cuba worth over $24.5 million. Yet, the difficulties and expenses of shipping from the U.S. are enormous. Consequently, this donor of medical aid to Cuba will continue to ship US-origin medical supplies from Canadian ports to avoid difficulty and the prohibitive cost of airfreight. (Smith B, Global Links, Pittsburgh, Pennsylvania; personal communication). The CDA prohibits ships that have landed in Cuba from docking in the U.S. for 6 months, which impedes the delivery of humanitarian donations to Cuba. Yet State Department fact sheets claim that the CDA "encourages the donation of humanitarian supplies to the people of Cuba, including medicine, food, and clothing."

CONCLUSION

The State Department has the obligation to defend US Policy. But it does not have the obligation to purposely misrepresent the facts, especially if the misrepresentations and distortions are used to defend a policy of blocking a civilian population's access to the basic necessities of life (food and medicine) in the midst of a severe economic crisis. Since July 19, 1997, the State Department has been confronted on numerous occasions with the errors contained in its "Fact Sheets." Their pattern of never admitting their errors and only making partial corrections when confronted with documents which clearly refute their claims suggests a deliberate intent to cover-up and deceive the public if not the U.S. Congress. Our research indicates both the distortion of data from the World Health Organization and significant discrepancies between the amount of medicine actually authorized for delivery to Cuba by the Departments of Treasury and Commerce and the amount claimed by the State Department. It is time to set the record straight. We believe it would be most appropriate for the U.S. Congress to investigate what has become a de facto policy of denying medicine to the Cuban people.

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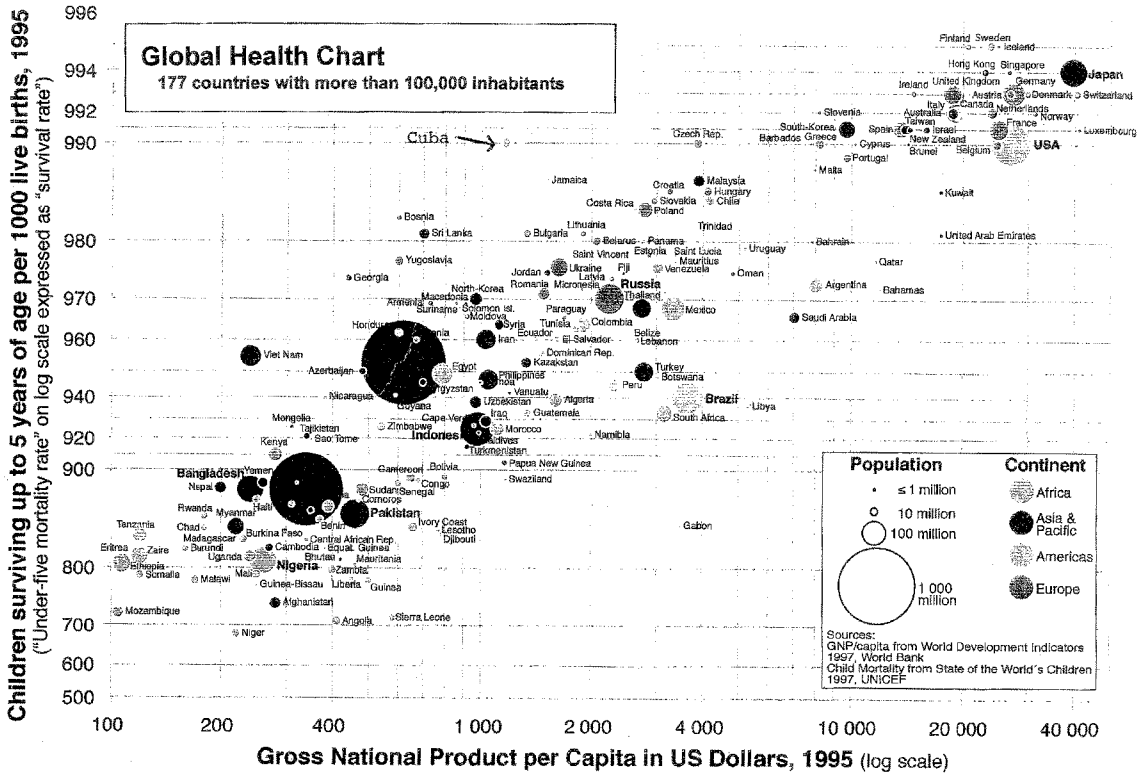
Table. LICENSES FOR EXPORT TO CUBA EFFECTIVE AUGUST 5, 1997

TYPE OF LICENSE	# LICENSES	# COMPANIES	ONSITE INSPECTION
COMMERCIAL SALES	8	3	YES
DONATIONS	14	?	NO
PRE-CDA COMMERCIAL SALES	9	2	NO
TOTAL EXPORT LICENSES	31		

Data from documents obtained through a Freedom of Information Act request to the Office of Foreign Asset Control the U.S. Department of Treasury, March 24, 1998, and the Bureau of Export Administration the U.S. Department of Commerce, January 12, 1998. As noted in text, all sales to Cuba's public health system require onsite inspections. This requirement does not apply to U.S. companies who donate or sell to US-approved non-government organizations (NGOs) intending to donate the medical supplies to the Cuban people. "Pre-CDA Commercial Sales" are defined by the Treasury Department as licenses that were exempt from the requirements of the 1992 Cuban Democracy Act because they were contracts negotiated prior to the implementation of the Act. The Commerce Department will not allow independent verification of the recipient of its "exported" medical products. Therefore, the total number of medical companies licensed by Commerce to export donations to Cuba is not known.

The authors wish to acknowledge the assistance of Jane Franklin in preparing an earlier draft of this research and to thank Dr. Hans Rosling for assembling the data and preparing the Global Health Chart that is found at the end of this report.



Legend to Figure: Relationship of a country's financial resources (gross national product) to health outcome (children surviving up to 5 year of age).

FRIDAY, APRIL 24, 1998
THE TAMPA TRIBUNE
TAMPA, FLORIDA http://tampatrib.com A MEDIA GENERAL NEWSPAPER
★ FINAL EDITION ★

Cuba report faults State Department

By PHIL WILLON
of The Tampa Tribune

WASHINGTON – The U.S. State Department reported inflated figures on the number of American companies allowed to sell medicine and health care supplies to Cuba since 1992, a new congressional study found.

The study energized critics of U.S. restrictions on the sale of food and medicine to Cuba, including members of Congress pushing legislation to ease economic sanctions against Cuba.

"I do not understand why the State Department would misrepresent to the Congress and to the American people this almost complete lack of U.S. medical sales to Cuba," said U.S. Rep. Esteban Torres, D-Calif., sponsor of legislation to permit the sale of food and medicine to Cuba.

► Canada's prime minister feels pressure of pro-Cuba policy. This section-6

► Lawmakers want to aid Castro foes. This section-7

Torres said he will make sure the State Department clarifies its policy "in the very near future."

In March, President Clinton publicly announced his support for lifting U.S. trade restrictions on food and medical sales, a gesture he hopes will bolster Cuban humanitarian

See CUBA, Page 6 ►

CUBA/ Report on medical sales called distorted

◄ From Page 1

groups and undercut the island's communist government.

The report conducted by the nonpartisan Congressional Research Service, released this week, reviewed the U.S. Cuba policy before Clinton's announcement.

The findings were based on federal trade records recently uncovered by Tampa physician Anthony Kirkpatrick of the University of South Florida, a long-time opponent of the trade restrictions. Kirkpatrick's study was conducted at Torres' request.

The Congressional Research Service found "some discrepancy" in an August 1997 State Department report on the U.S. policy toward the commercial sale of medical supplies to Cuba.

State Department officials had stated the U.S. does not impede the sales. The agency maintained that 36 out of 39 licenses were approved for U.S. companies and their subsidiaries for sales of medical supplies to Cuba since Congress passed the Cuban Democracy Act in 1992.

However, the Congressional Research Service found that, at most, only 11 licenses were issued for sales to Cuba during that time.

According to the report, of the 36 licenses the State Department said were approved:

- Eleven licenses were for commercial sales to organizations such as the United Nations, which donated the medical goods to Cuba. Under U.S. law, no license is required for such a sale.
- Eight licenses were based on contracts entered into before the Cuban American Act passed.
- Five licenses were solely for travel to Cuba by representatives of American pharmaceutical companies to explore possible sales.

"It substantiates what Kirkpatrick came up with — the State Department misrepresented the facts," said Wayne Smith of the Center for International Policy in Washington, a foreign policy institute.

Kirkpatrick called the findings an indictment of an inhumane U.S. policy toward Cuba, and he called on Congress to investigate the "de facto" ban on medical sales to Cuba.

"The State Department, by carrying out these lies to the American public, is in effect killing innocent civilians in Cuba," Kirkpatrick said.

A State Department spokesman declined to comment on the findings, since the agency has yet to receive a copy of the report. The State Department figures were based on information provided by the departments of the Treasury and Commerce and were as accurate as possible, the spokesman said.

Under the Cuban Democracy Act, American companies and their foreign subsidiaries are allowed to sell medical supplies to Cuba under certain restrictions. The law requires on-site verification that the medical exports are "only for the use of the Cuban people" and forbids any export that might be used for torture, re-exported or used in the production of any biotechnological product.

"The bottom line is that it's legal as long as it's not used for torture," said U.S. Rep. Lincoln Diaz-Balart, R-Miami, a strong supporter of the trade restrictions.

Diaz-Balart blamed the lack of medical supplies in Cuba on the country's communist president, Fidel Castro. Castro hordes medical supplies for tourists, his own hierarchy and for export — causing his own people to suffer, Diaz-Balart said.

In May, the House Ways and Means Committee is scheduled to hold hearings on the U.S. embargo against Cuba.

► Phil Willon is in Washington and can be reached at (202) 662-7673.

Statement of Hon. Gerald D. Kleczka, a Representative in Congress from the State of Wisconsin

Mr. Chairman, I appreciate your holding this important hearing on the United States' economic and trade policy toward Cuba. In the wake of the Pope's recent visit to Cuba, this hearing will provide a timely and important review of these important policies.

In previous Congresses, I have cosponsored legislation to repeal the embargo of U.S. trade with Cuba and the Cuban Democracy Act of 1992 which further tightened trade sanctions. I have also cosponsored legislation to exclude food, medicine, and medical equipment from the embargo.

The embargo against Cuba in not only inhumane and unfair to the Cuban people, it is also hurting our nation. Banning the import of food and medicine only makes the Cuban people innocent pawns in a long and fruitless political standoff. As the

Los Angeles Times wrote, "In Castro's long reign, the people of Cuba have suffered under an obsolete economic and political system that has deprived them of their most elementary freedoms. Their plight has been exacerbated by the embargo which has made life more painful while failing to rewrite political realities."

The misguided embargo has cost Americans jobs and missed economic opportunities because it has prevented American businesses from entering the Cuban market. While more than 100 nations are encouraging investment and commercial development in Cuba, American businesses are forced to stand on the sidelines. Despite the potential for economic gain, the Department of Treasury still clings to the belief that to "isolate Cuba and deprive it of U.S. dollars" is the best way to bring about change in that nation. Desperate for access to Cuban markets, American businesses are entering into agreements with foreign companies.

In recent months, we have seen a few rays of hope the embargo might be lifted. The Pope's visit highlighted the plight of the Cuban people. On March 24, 1998, President Clinton announced four changes in U.S. policy that will help direct more humanitarian aid to Cuba.

Mr. Chairman, I hope this hearing will again stress the need to lift the U.S. embargo against Cuba. After more than three decades, the U.S. embargo has done little besides punish the Cuban people and deepen their resentment against the United States. Cuba has not changed its political system and Fidel Castro's resolve has shown little sign of weakening.

It is in the best interest of no one to continue the current policy against Cuba. At the very least, Congress should work to remove the embargo against food and medicine. Allowing food and medicine into Cuba would be a good first step in restoring relations with the Cuban people and developing a sensible economic policy between the United States and Cuba.

Statement of Lloyd Moore, Executive Director, Trident South Corporation, Yazoo City, Mississippi and Executive Director, Mississippi Black Farmers and Agriculturists Association

My name is Lloyd Moore. I am Executive Vice President of Trident South Corporation in Yazoo City, Mississippi and Executive Director of the Mississippi Black Farmers and Agriculturists Association. I am also the co-chair, along with Hayes Dent, legislative aide to Mississippi's Governor Fordice, of the Mississippi State Council of the National Americans For Humanitarian Trade With Cuba coalition.

We are working hard with this coalition because we believe that people in Cuba who need the life-sustaining food we produce in the Mississippi Delta should have the right to buy it. We also believe our small farmers should have the right to sell products to our natural market.

Cuba is a market that some people in other parts of the country might say is insignificant. But to farmers in Mississippi, Cuba represents a real economic opportunity that could raise the quality of life significantly for Mississippi Delta families.

In our community, we grow lots of rice. Recently, competition for markets has become absolutely fierce. Times have been tough. Times could get a lot tougher. The recent Fair 96 law will cut agriculture consumer subsidies by the year 2002. We are being asked to change with the times, and we are. That is why, in the Misssissippi Delta, our new philosophy is 'rooted locally, working globally.' To keep our loyal and hard-working labor force going, we must continue to explore new market opportunities worldwide.

The freedom to sell our rice to Cuba could mean millions in annual exports for Mississippi at a time when our farmers badly need such sales. According to international estimates, Cuba currently annually imports $500 million in raw foodstuffs and another $200 million in processed food. Trade with Cuba would improve the quality of life for our communities by giving us the economic ability to educate our children and make a better future for ourselves.

The human need that exists in Cuba can help us fulfill the economic needs not only of rice farmers in Mississippi, but struggling farms in Arkansas, Alabama, Louisiana, and up the Mississippi River. Since so many Americans would benefit from such trade with Cuba, we have to ask ourselves how is it that a small but very wealthy community in Miami can dictate a policy that 40 years has thwarted our communities' ability to prosper and grow.

Those who seek to prevent U.S. farmers and businesses from selling food to Cuba say there is no problem in Cuba, while at the same time they recognize there is a problem by trying to devise ways to send more charity to Cuba. Aid is not the answer. Trade is the answer. Using taxpayer dollars to send more aid to Cuba when

the Cubans stand ready to pay an honest price is an affront to our communities. We should not be taking U.S. citizens off welfare and trying to put Cubans on. We shouldn't be taking subsidies away from American farmers and be talking about subsidizing the Cubans.

We applaud President Clinton's recent actions that recognize there is a humanitarian need to be fulfilled in Cuba, and his recent statements in support of food and medical sales to Cuba. We feel that it is high time for the representatives and senators who we elected to represent our interests pass a law that will allow such sales to occur. Not just because it would make a big difference for our noble communities, but because it is the right thing for us to do as Americans.

As a representative of thousands of Mississippi Delta farmers, I make an appeal based on good Christian principles and good common sense: let's stop wasting everyone's time adding more bureaucratic layers to an already faltering system. Let's sell Cubans the food and medicine they need for their own good, and for our own.

MADRES Y MUJERES ANTI-REPRESION POR CUBA (M.A.R. POR CUBA)
KEY BISCAYNE, FLORIDA 33149
May 18, 1998

The Hon. Philip M. Crane, Chairman
Trade Subcommittee
Ways and Means
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Crane:

It is unfortunate that the voiceless in Cuba, as well as the Cuban exile community were not present at your May 8th hearing on Cuba's trade policies. However, we appreciate this opportunity to write to you on behalf of the most vulnerable victims of repression in our island, such as political prisoners and their families; members of the internal opposition movement; dissidents; human rights' activists and independent journalists.

As a group of Cuban exile mothers and women, we are greatly concerned, among other critical issues, with the situation of Cuban women political prisoners in our homeland, and we are committed—together with many exile organizations as well as opposition and human rights' groups inside the island—to continue an international solidarity campaign on their behalf, and to serve as a voice for these Cuban women whose voices can not be heard.

These women are subjected to deplorable and inhumane conditions; they are systematically separated from their family nucleus when transferred to prisons in provinces far from their homes; their families suffer constant harassment by the repressive forces of Castro's regime; they lack critical medical attention; and they are unjustly and arbitrarily condemned to lengthy sentences and extensive periods of time without seeing their children.

An example of this is Marta Beatriz Roque Cabello, one of the authors of "The Homeland Belongs to All," a document written in response to Cuba's V Communist Party Congress' Manifest, who is still in the women's prison of Manto Negro presumably charged with "enemy propagada" and has yet to be tried. Beatriz is extremely sick, and is denied the medical attention she desperately needs. As in the case of Sebastian Arcos, who recently died of cancer in exile because he was medically not treated while a political prisoner in Cuba's jail, time is running out for Beatriz. Although it may be the difference between life and death, she courageously refuses to leave Cuba as a condition for her release. Unfortunately, Marta Beatriz was not heard at the May 8th hearing.

We are witnessing a monumental campaign undertaken by interests other than the interests to achieve democracy in Cuba. These interests would lead us to believe that their concerns are "humanitarian" in nature. All too sadly, the "humanitarian aid" legislative proposal known as the Dodd-Torres bill will unlikely reach the most vulnerable victims of repression, such as Marta Beatriz Roque Cabello. While these individuals and groups are actively promoting the unilateral lifting of economic sanctions—purportedly to ease the suffering of the Cuban people—they remain conspicuously blind to the crimes being perpetrated against men, women and children, and silent to demand fundamental liberties and denounce the human rights violations committed by Castro's regime against our people.

U.S. current law exists to promote a genuine democratic transition in Cuba. The embargo that needs to be lifted and the one that we advocate to lift, is the one imposed by Castro upon the Cuban people. As it is painfully evident, "Cuba is open to the world" courtesy of Castro and his regime, which have assured that it is opened up to all those who come to exploit its slave labor, its apartheid, its fertile soil, its confiscated properties, its sexual tourism, its women and its children. Foreigners with dollars have access to anything and everything, while Cubans are systematically discriminated against. What needs to be demanded is that Castro "opens Cuba to the Cuban people." Only then should the economic sanctions be lifted. To do otherwise would only prolong Castro's tyranny and deny Cuba's right to sovereignty.

We are submitting for the record of the May 8th hearing a copy of the letter that Marta Beatriz wrote from within prison on toilet paper, as well as the transcript of the tape recorded by Vicky Ruiz Labrit, who heads one of the womens' opposition groups in Cuba.

We respectfully request that the voices of opposition within the island as well as Cuban-Americans be included in any future Subcommittee hearings concerning Cuba.

We thank you for your attention, and remain,

Sincerely,

M.A.R. POR CUBA
SYLVIA G. IRIONDO
President

SGI:gf
encs.

'Each Cuban has a built-in policeman'

FROM A CUBAN PRISON—To describe [1] how one spends the day in this penitentiary is easy: Everything becomes routine. A change in the schedule is practically an event. Each of the women prisoners (about 700) constantly asks herself: How long will I be here?

Only 15 days ago I was transferred to the wing for hardened criminals, although it would have been logical to have kept me in the preventive-detention wing.

The answer to my question "Why the change?" was simple: "You're closer to the infirmary; these are people who behave (i.e. on good behaviour); and it's an order."

I'm supposed to go to the infirmary to get magnetotherapy for my breasts, but the truth is that they don't take me, even though I've complained to everyone willing to listen. The doctor recommended 20 sessions—I've had only nine, and it has been a hassle.

I'm a political prisoner, but because that status is not acknowledged here, I'm called a "CR"—a counterrevolutionary. My cell sisters are common prisoners, five in all: three are serving time for murder (25, 18, and 15 years, respectively), one for attempted murder and battery (14 years), and another for fraud (five years, four months).

A simple analysis of their situation would lead you to think that they'd do anything to shorten their long term of imprisonment or gain some sort of benefit. For example, as a reward for their recent participation in a political meeting about the Pope's visit to Cuba, they got an additional family visit.

Compare this with people on the outside who—to hold on to their jobs—cling to their membership in organizations for the masses, careful to maintain their political participation and to submit to the slogans and goals set by the government. Only doing this will they be rewarded with a job that gives access to hard currency, a bag of toiletries, or just any job.

Those who don't live in Cuba find it difficult to understand that the system maintains its political control principally through self-repression. Each Cuban has a built-in policeman. This complex mechanism whereby one assumes the conscience

[1] Article which appeared Wednesday, April 15, 1998 on page 17A, in The Miami Herald by Martha Beatriz Roque Cabello, one of the authors of "The Homeland Belongs to All." Martha Beatriz Roque Cabello, an economist, is a leader of the Domestic Dissidents Working Group, a federation representing 14 of the largest dissident groups in Cuba. She was arrested on July 16, 1997, charged with "counterrevolutionary activity," and still awaits trial. Her letter, handwritten in prison on toilet paper, is reprinted from El Nuevo Herald.

of a hunted person has been developed and perfected for almost 40 years. To those who see it from afar, it's almost imperceptible.

I had never been in prison before, but the past eight months have given me access to this small world and to firsthand knowledge of the violation of human rights and legality. If this documents finds its way out of this prison, it will be proof that there are those here who dissent.

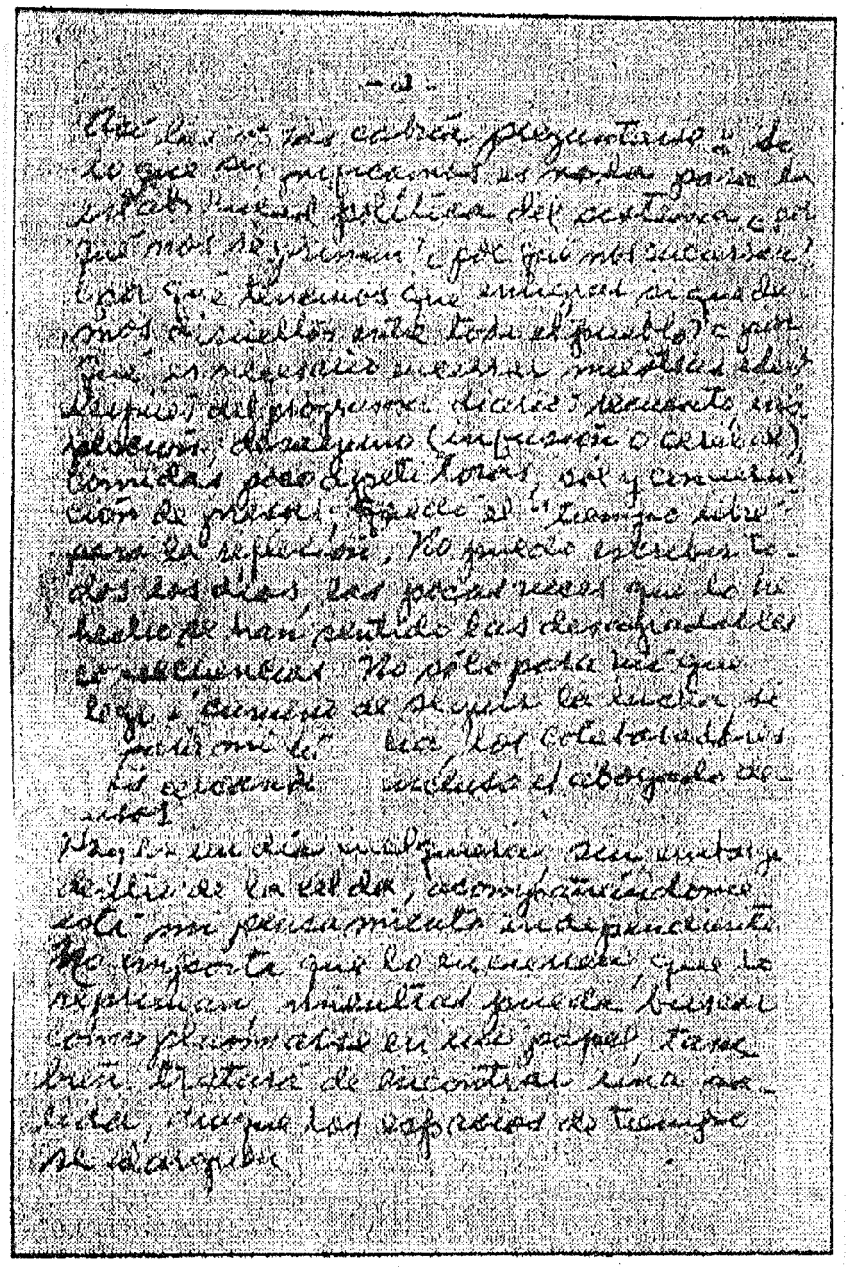
The re-educator assigned to me—a woman officer with the rank of major, age 50, brown-skinned, with a face that proclaims her humble peasant origin—warned me that I was forbidden to talk about political subjects, that my ideas had to remain in my head, as confined as I am. You oppositionists are just five or six, she said, as opposed to 11 million Cubans who don't want to change their flag, an allusion to the yanquis who can't stop reaching out to those who want democratic transformation in this country. The end of her speech was devoted to a suggestion that we leave the island: "What you need to do is go away and not waste your life in prison."

If that is so, a question arises: If we mean nothing to the political stability of the system, why then are we repressed? Why are we jailed? Why should we emigrate if we're so outnumbered by the people? Why is it necessary to imprison our ideas?

After the daily schedule—prisoner count, inspection, breakfast (tea or cereal), unsavory meals, sitting in the sun, and girl-inmate talk—we have "free" time for reflection.

I can't write every day. The few times that I have written, there have been unpleasant conserquences not only for me, who chose the path of struggle, but also for my family, my closest collaborators, and even my defense attorney.

Today is a day like any other. Yet, inside my cell, my independent thought accompanies me. It matters not that they shut it in, that they repress it. As long as it can be infused onto paper, it will try to find an exit, even if the spaces of time are lengthened.



Handwritten on toilet paper: "If this document finds its way out of this prison, it will be proof that there are those here who dissent."

Statement of Vicky Ruiz Labrit, Havana, Cuba, Recorded on March 8, 1998

"To the international public opinion:

The voices of the Cuban sisters in exile are the faithful echo of the cry that women in Cuba fighting for human rights elevate. With it, we launch to the world this petition of support for the salvation of women prisoners of conscience that suffer within the prisons of Fidel Castro. Women that being daughters, wives, sisters or mothers, without fear to pain, have stood firm to uphold a homeland that suffers because it has no liberty, because it yearns for harmony and peace, because it can no longer endure the hunger for dignity and rights.

Free citizens of the world, listen to this uprising clamor and unite your voices so that torture does not continue in this Cuban land. In every woman that suffers an unjust sentence there is a piece of this homeland; in every beating, humiliation or death is the martyrdom and affliction of our people.

This month, dedicated internationally to women, should be a month where no one is left without joining efforts against so much ignominy. May this petition for help be heard throughout the world so that these Cuban women be freed from their unjust sentences.

These noble women need no pity, but liberty.

Thank you, I am Vicky Ruiz Labrit, on behalf of all the organizations and groups that signed this Declaration, from the Republic of Cuba."

Urgent Petition [1] to the International Organizations for Human Rights, Cuban Exile Community and All Women

Cuban Women To Join Efforts to Petition Support for Women Political Prisoners of Conscience that Have Not Been Released

It is not an act of clemency or good will the "pardons" that the government of Fidel Castro has instrumented in the last few months as an attempt to obtain the good graces of heads of state, a common practice of the Cuban government with its hostages: the political prisoners of conscience.

It is an outrage that within two years of the next millennium Cuba maintains in its prisons more than one hundred thousand prisoners and another significant number of detainees at adjacent interrogation facilities. In proportion, the penal population on the island is one of the largest in Latin America, even more criminal still is the harassment that is suffered by political prisoners, especially women.

Very few women have been released during the last days, and a significant numer of women still remain serving unjust sentences. In light of so much injustice and infamy, we join our voices of opposition so that the world may know the spiteful and undignified manner in which Cuban political prisoners are treated.

We call on all free citizens of the world to join in support of these women who suffer.

Signed Within Cuba:

ORGANIZATIONS WITHIN CUBA:

Alianza Democratica Popular (ADEPO)
Asociacion Humanitaria Seguidores de Cristo Rey
Asociacion Pro Democracia Constitucional
Asociacion de Lucha Frente a la Injusticia (ALFIN)
Comite Cubano de Opositores Pacificos
Centro de Estudios de la Familia
Colegio Medico Independiente
Corriente Liberal Cubana
Foro Feminista
Frente Democratico Oriental
Frente Femenino Humanitario Cubano
Movimiento de Madres por la Solidaridad

[1] English Translation.

Movimiento Democratico Accion Nacionalista
Movimiento Pro Derechos Humanos Golfo de Guacanayabo
Movimiento Solidaridad y Paz
Organizacion de Cristianos Sociales de las Provincias Orientales para la Atencion de la Mujer
Organizacion Feminista Independiente (OFI)
Periodista Independiente de CUBA PRESS: Ana Luisa Lopez Baeza

ORGANIZATIONS IN EXILE:

Agenda: Cuba
Alianza de Jovenes Cubanos
Coalicion de Mujeres Cubanoamericanas
Coordinadora Internacional de Prisioneros Politicos Cubanos
Cuba Independiente y Democratica (C.I.D.)
Directorio Revolucionario Democratico Cubano
Ex-Club (Asociacion de Ex-Prisioneros y Combatientes Politicos Cubanos)
Ex-Confinados Politicos de la U.M.A.P.
Federacion Mundial de Presos Politicos Cubanos
Frente Nacional Presidio Politico Cubano
Grupo de Trabajo de la Disidencia Interna
M.A.R. Por Cuba (Madres y Mujeres Anti-Represion por Cuba)
Movimiento Democracia
Mujer Cubana
Mujeres Luchadoras por la Democracia
Presidio Politico Historico Cubano-Casa del Preso
Sociedad Internacional de Derechos Humanos
and ex-political prisoners, organizations, support groups and activists who are joining this urgent petition...

Fundamental Objectives of the International Campaign of Solidarity with the Women Political Prisoners within Castro's Prisons during the International Month for Women

Considering that the Cuban political prisoners are serving arbitrary and unjust sentences simply for dissenting from the official policy of the regime which rules the Island of Cuba, we aspire with this campaign to:

• To denounce the deplorable and inhumane conditions that women political prisoners are subjected to in Cuba.

• To denounce the manner in which women political prisoners (mothers, wives, daughters, sisters) are systematically separated from their family nucleus when they are transferred to prisons in provinces far from their homes.

• To inform as to the precarious circumstances suffered by the families of these women political prisoners and the constant harassment they endure by the repressive forces of the regime.

• To denounce the lack of medical attention suffered by women political prisoners with health problems.

• To denounce the efforts to irritate and enrage the women political prisoners with small children, condemning them to lengthy sentences in prisons and extensive time periods without seeing their children.

As women, on the island and in exile, we are committed to continue this international campaign and to serve as a voice for these Cuban women whose voices cannot be heard.

Statement of Beatriz M. Olivera, Harris Kessler & Goldstein, in Support of H.R. 1951

Cuban-Americans have traditionally been a monolithic community focused on the singular objective of achieving political change in their homeland. Until recently, the community was virtually united in the belief that the most effective way to achieve this end is for the United States to lead the world in treating Cuba as a pariah. The fall of the Soviet Union has revealed the inadequacies of Castro's grand experiment as a long term societal framework. Events have forced Castro to reach out to the world community, aspiring to the Chinese model of international trade coupled with domestic repression. As a consequence, the U.S. embargo has ceased to be an effective means of isolating Castro's government and hastening its demise.

Castro's desire to rejoin the world economic community has forced him to enlist the help of the Catholic Church in delivering human services, bringing an increase, however modest, in freedom of religious expression. Whatever Castro's motive in inviting His Holiness John Paul II to Cuba earlier this year, the visit was a watershed event. The visit has inspired hope in Cubans all over the world that change is not only inevitable, it is within our grasp. As a consequence, Cuban Americans who have deferred to traditional intransigence are now speaking out in favor of a change in U.S. economic policy toward Cuba.

It is ironic that Castro has returned to tourism as the key to Cuba's economic self-sufficiency. Foreign tourists have been accompanied by foreign journalists, who have exposed the inadequacies of the socialist system and the harsh realities of the embargo's effect on the Cuban people. Rather than offer aid with conditions that Castro can easily brush off, we must seize the opportunity to demonstrate how effectively free market forces identify and satisfy human needs. In doing so, we will not only serve the humanitarian needs of the Cuban people, we will eliminate Castro's last excuse for blaming the hardships of his people on the policies of the United States.

The embargo was an appropriate reaction to the events of the early sixties, but time has proved Cuba unsuccessful in efforts to export its politics to the rest of Latin America. Containment is no longer relevant as an objective of U.S. foreign policy. The U.S. is willing to sell food and medicine to China, Iraq, North Korea and even India, even in the wake of the latter's recent nuclear weapons tests. There is simply no logical reason to maintain the embargo on food and medicine as part of U.S. trade policy toward Cuba.

The changes proposed in the Cuban Humanitarian Trade Act will demonstrate to the Cuban people that Castro's policies, not those of the United States, have led to their current hardships, and that the free market offers the most effective solutions to their plight. We cannot wait for the Castro government to fall of its own weight before demonstrating our compassion for the people who suffer under his regime. We urge our representatives to cosponsor the bill and to expedite its passage.

Statement of Oxfam America

OXFAM AMERICA CALLS ON U.S. LEGISLATORS TO LIFT THE BAN ON FOOD AND MEDICINE SALES TO CUBA

Oxfam America supports the self-help efforts of poor and marginalized people—landless peasants, indigenous peoples, women, refugees and survivors of war and natural disasters—striving to better their lives. Since 1970 Oxfam America has disbursed more than $100 million in grants and technical support to hundreds of partner organizations in Africa, Asia, the Caribbean and the Americas, including the United States.

In Cuba, Oxfam America seeks to promote long term development by supporting the work of community organizations attempting to develop sustainable organic methods of agricultural production in rural and urban areas. Since the onset of the economic crisis of 1990, Cuba has effectively joined the ranks of the most food insecure countries of the world. Studies have shown that:

- the contraction of the Cuban economy has lessened Cuba's capacity to import the fuel, repair parts, intermediate goods, raw materials and consumer goods necessary to produce food domestically and thereby adequately meet the nutritional needs of the Cuban population;
- national food availability in Cuba fell by about one third between 1989 and 1995 as high transportation costs and the limited availability of hard currency has restricted Cuba's ability to obtain food from non-US suppliers;
- food shortages compounded by the trade embargo contributed to the deterioration of the Cuban population's nutritional intake, with drops in daily caloric intake of 33 percent and in protein levels by 39 percent during the same period;
- the decline in food availability has contributed to serious vitamin deficiencies, maternal malnutrition, increased low birth weights and a recent neurological epidemic.

The U.S. trade embargo—by imposing higher production and import costs, limiting the availability of hard currency and discouraging trade with third countries—has the unintended consequence of exacerbating the current food security crisis in Cuba, thereby hurting the Cuban people. While lifting the ban on US food imports to Cuba does not offer a long term solution, it is a step toward alleviating the impact of the current food crisis.

The Cuban people should not bear the costs of differences in US-Cuba relations. In the humanitarian interest of supporting the health and well-being of ordinary citizens, Oxfam America calls on legislators to support the Cuban Humanitarian Trade Act (HR 1951) and the Cuban Women and Children Humanitarian Relief Act (S. 1392) and lift the ban on U.S. sales of food and medicine to Cuba.

Statement of Hon. José E. Serrano, a Representative in Congress from the State of New York

Thank you for giving me this opportunity to testify today on U.S. Economic and Trade Policy Toward Cuba.

It should come as no surprise to anyone in this room that I am opposed to the economic and trade embargo that has dominated our government's relationship with Cuba for the past forty years. While we continue to encourage trade with China, Vietnam, and North Korea, we pursue a closed policy with respect to Cuba. The result has been criticism from and a weakening of our relationships with Canada, Japan, Mexico, and the European Union. Why? Logical reasons for this antiquated policy do not exist.

However, we are now finally seeing movement towards a new, more enlightened policy. I applaud these efforts. In January, Pope John Paul II visited Cuba and publicly criticized our country's embargo. In March, President Clinton announced four positive changes to help ease some of the restrictive aspects of our policy towards Cuba. Most recently, the United Nations Commission on Human Rights for the first time voted against a United States resolution criticizing Cuba for human rights violations. What is significant is that several countries that abstained from the vote last year voted to reject the resolution this year. The United States is becoming increasingly isolated as it struggles to preserve a policy that the international community condemns.

At the start of the 105th Congress, I introduced H.R. 284, the "Cuba Reconciliation Act," to repeal both the Cuban Democracy Act of 1992 and the Liberty and Democratic Solidarity Act of l996, otherwise known as "Helms-Burton." It is time

for Congress to pass this important legislation, which would move the United States to its rightful place, leading the world with a moral and just foreign policy. It is inhumane to attempt to starve the Cuban people, punishing them with a trade embargo designed to bend their government to our political will. Instead, it is time for us to work towards reconciliation.

We need to start today, at this hearing, to look at our current relationship with Cuba and to find the courage and flexibility to envision a different future. The Cuban embargo has not worked in over 40 years, and it is time to consider measures to change our relationship with one of our closest neighbors. A good first step is passage of H.R. 1951, legislation that I have cosponsored, to end the embargo on the sale of foods and medicine to Cuba. This is the ultimate humanitarian legislation, because its beneficiaries are the Cuban people. The United States manages, and rightfully so, to sell food to China. Our country, which has long prided itself on its humanitarian policies, should immediately make this change in our trade policy towards Cuba.

My position has been consistent. We must end this embargo, which has caused enormous suffering to the Cuban people. Beginning today, as this topic of trading with Cuba is discussed, I hope the Congress can move in this direction and accept this historic challenge. Change our dialogue from one of hostility to one of openness, and our policy from a strict embargo to free trade. Cuba is our neighbor and it is time to follow the lead of the Pope and the international community and establish a new relationship and a new policy towards Cuba. This is the moral and right thing to do.

Statement of USA Rice Federation

The USA Rice Federation is the national trade association of the U.S. rice industry and works to advance the common interests of this country's rice producers, millers, marketers and allied industry segments. The Federation is composed of three charter members—the U.S. Rice Producers Group, the USA Rice Council and the Rice Millers' Association.

U.S. Rice Exports

Trade has historically been, and will continue to be, critical to the U.S. rice industry. The United States exports approximately half of the rice it produces, and consistently ranks as the second or third leading rice exporter in the world. The U.S. share of world rice trade has ranged from 12 percent to 28 percent. The U.S. industry's largest global competitor is Thailand, which maintains an average market share of about 30 percent. Today, U.S. rice is sold in over 100 countries around the world and is widely recognized for quality. The United States is also considered a reliable, diversified supplier, exporting long, medium and short grain varieties of rice with a wide range of processing options.

Current major export destinations for U.S. rice include the European Union (EU), Mexico, Japan, Turkey, Canada, Haiti, and South Africa. In addition, the U.S. rice industry is working to develop markets in other countries that have provided greater market access under the Uruguay Round agreement.

The U.S. Rice Industry and Global Trade Issues

Of all grains exported by the United States, rice has been hit particularly hard by unilateral trade sanctions. For example, before President Clinton's executive order on the U.S. trade embargo with Iran in 1995, that country was emerging as one of the largest markets for high quality U.S. rice. Similarly, the largest importer of U.S. rice in 1989 was Iraq, which was closed to U.S. rice exporters by executive order in 1990. Trade restrictions imposed by the U.S. government, however well justified, do impact U.S. rice exporters and consequently the entire rice sector in this country. Despite occasional exemptions, such as "general license" programs, trade restrictions currently in force effectively reduce the size of the world rice market available to U.S. commercial rice exports.

U.S. and Cuba Rice Trade

The recent scenarios in the Middle East have their counterpart in the Cuba of 1960. At that time, Cuba was the largest single importer of U.S. rice, preferring to buy the U.S. product on a commercial basis because of quality, proximity and reliable supply. In 1951, Cuba imported a peak volume of approximately 250,000 metric

tons of U.S. rice which represented about half of total U.S. exports at the time. In 1996, a 250,000 metric ton market for U.S. rice would have accounted for approximately 10 percent of total exports.

Cuba's share of total U.S. exports varied considerably from year-to-year, ranging from 17 to 51 percent in the ten-year-period prior to the embargo in 1963. Since the embargo, Cuba's annual imports have averaged around 300,000 metric tons, with primary import origins of Thailand, China and Vietnam.

The type of rice purchased by Cuba from the U.S. was a high quality U.S. long grain product. In the years since the embargo, Cuba has imported a lower grade product, both long and medium grain.

The U.S. rice industry believes that once the U.S. government has lifted the embargo, Cuba will again become a significant market for U.S. rice. Because of the structural changes that have occurred in Cuba and changing food consumption patterns, it is possible that a post-embargo Cuba may not immediately be in a position to import commercially the same high quality U.S. rice it had in the past. However, the U.S. rice industry views the Cuban market as one of great potential.

Once the embargo is no longer in place, the U.S. industry will expect to re-enter the Cuban market and will work closely with the U.S. government to make use of any government programs which may assist in maximizing potential gains in this important market.

CONCLUSION

The U.S. trade sanctions currently in force for Cuba are allowing other rice exporting nations such as Thailand and Vietnam to gain major competitive advantages over the U.S. rice industry. Furthermore, USDA estimates that more than 13 percent of projected global rice import demand will be subject to unilateral trade sanctions in the 1997/1998 crop marketing year. This represents a significant degree of lost marketing opportunities for the U.S. rice industry.

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