

**Colonel Lawrence B. Wilkerson, USA (Ret)\***

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

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

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

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

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

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

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

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

---

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ATTACHMENT:

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

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

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

Table I. Foreign Private Financing to Cuba, 2007

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

Spain	581 million
France	440 million
Germany	216 million
Netherlands	182 million
Italy	79 million
Japan	79 million
United Kingdom	22 million
Sweden	14 million
Switzerland	9 million
Belgium	6 million
Portugal	4 million

Total European Financing	1.632 billion
Financing of Undisclosed Origin	728 million

Total Foreign Private Financing 2.360 billion

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

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

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